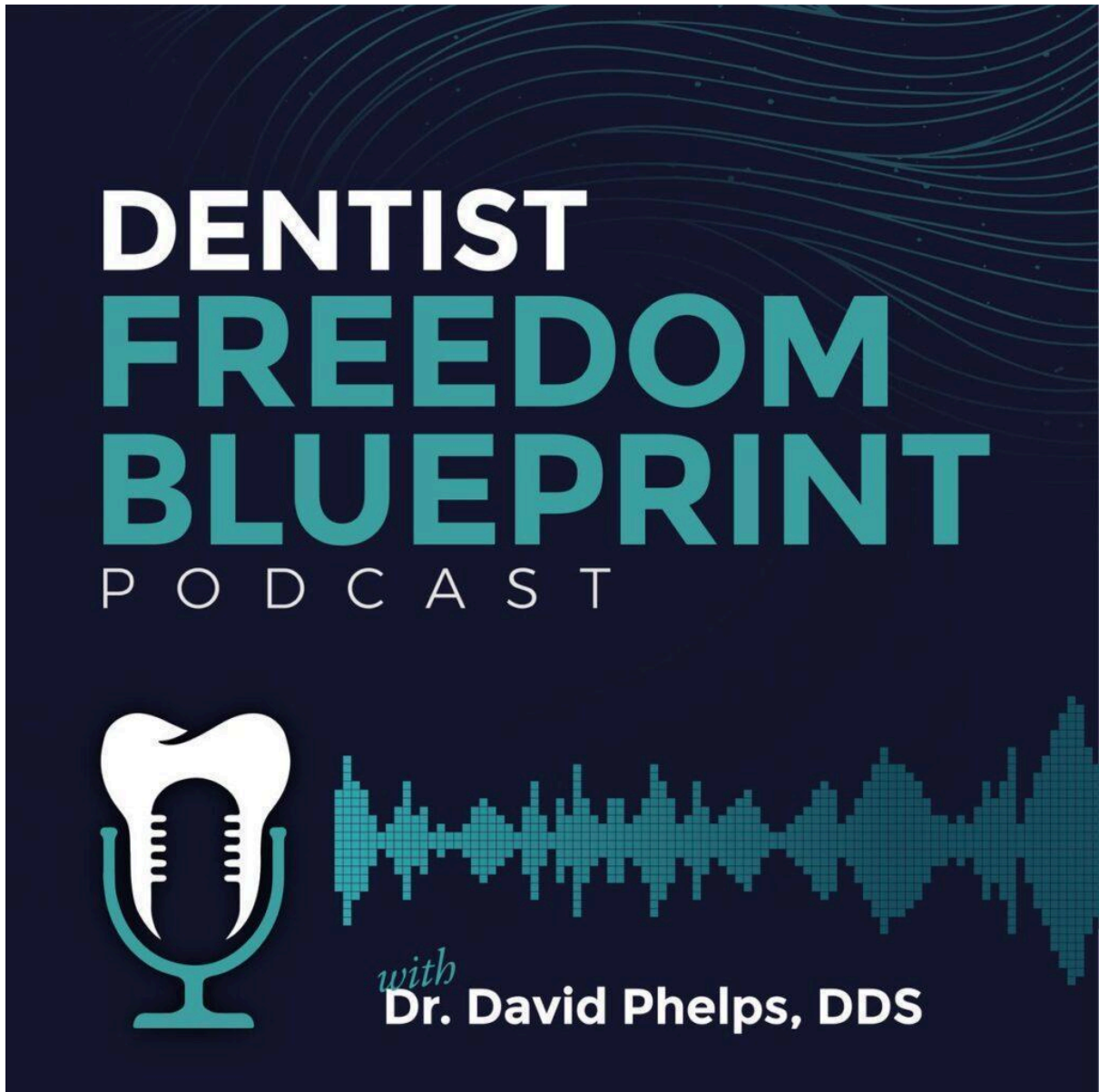


**You Are More Than a Number - Selling Your
Practice and Leaving Dentistry - David Porritt:
Ep #499**



Full Episode Transcript

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Dr. David Phelps

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Dr. David Porritt: The eventuality that someone else is going to be in control when you've been the decider all along. If that's one of the bigger points doctors make is, "I just can't wait until someone else has to deal with my employee issues." Yeah, right up until they make a decision you didn't agree with. Then you're going to say, "I would have done that differently," right?

"David was of course a dentist, but he was a very sophisticated real estate investor. He had run with a circle of probably the most sophisticated housebuyer types in the country."

"David is a student of the game."

"I would never say this about most people. I would get in a foxhole with David."

"His knowledge is unreal. I mean, it's off the charts."

"This is not some person in front of you going, 'Yeah, just give me your money and I'm going to invest it in real estate.' It's way more elevated than that."

"The most common message I get, I want to thank you so much for introducing me to Dr. Phelps because my wife and I—we went to Freedom Founders. We're on a path. We're going to be financially free. We are going to retire sooner. We are going to be happier. This changed our life."

Dr. David Phelps: Today, Dr. Dustin Burleson, CEO and founder of Burleson Seminars, joins the show to discuss a vital aspect of our careers that can determine the longevity of our and enjoyment of our life. How much is enough? Dustin is an entrepreneur, orthodontist, podcaster, author, speaker, and a really great philosopher with wisdom we all need to hear.

In this episode, we will discuss the dangers of the desire for more, how your actions determine the price of your time, the cost of chasing the wrong metrics, the fallacy of surrendering your finances to Wall Street suits, and much, much more. Before we get into it, I want to start by reading an excerpt from Morgan Housel's, *The Psychology of Money*, which is very relevant to our conversation today.

At a party given by a billionaire on Shelter Island, Kurt Vonnegut forms his pal, Joseph Heller, that their host, a hedge fund manager, had made more money in a single day than Heller had earned from his wildly popular novel, *Catch 22*, over its whole history. Heller responds, "Yes, but I have something he will never have. Enough."

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For a critical element of our society, including many of the wealthiest and most powerful among us, there seems to be no limit today on what enough entails.

Dr. Dustin Burleson: If you don't have a number, there's never enough. Ask Elon Musk, and ask Warren Buffet, and ask Steve Jobs, when he was still alive, how much is enough.

And their answer would always be a little bit more. It's probably anecdote, but it's probably not untrue that Ted Turner, I think at some time he was like the 11th richest man in the world and asked him, well, what could you possibly want? He said, "Well, to be the 10th richest man in the world." So there's always this desire for more.

That's the first point is to acknowledge that in our human nature. If we didn't want that, we'd still be rubbing sticks in the dirt to light fires and not flipping a switch like the beautiful room I'm in today with electricity. We wouldn't have those things if we didn't have a desire for more, so it's okay to want more.

But the second point is if you don't know what's enough for you and your family and for your goals and your legacy and your budget and all the things you want to do in life, you might be there sooner than you think. There might be a different way to get there. And it's almost never just earned income, which is why we're such a fan of yours and Freedom Founders. So that's kind of the two points that come to mind when you start thinking about how much is enough. Most people don't know. So when I get a new member at Burleson Seminars, we'll grow their practice from maybe 1 million to 2, or from 2 to 3 or 3 to 4. And they always think, "Well, if I could just get to 3, I'll be happy."

And I just kind of laugh and go, "Uh-huh." And a year or two later, they're going, "Well, now I want to go to five," and then they want to go to 10. That's all under the foundation that underlies that was why? Why do you want more? If you know why you want something and you can work backwards from where you're headed, you're much more likely to get there than to just say more, more, more, more, more.

And it goes without saying, and I've fallen guilty of this trap. If you don't know why you're doing it, and I had this conversation recently with Scott DeRossi, the former Carolina Blue UNC, he said, "Really, really easy to wake up one day and go, 'What the hell am I doing all this for?'" Don't make that mistake.

Don't wake up and go, "Well, I got, okay, I've got all the money. I've got all the cars. I've got all the houses. Everything I want, but my kids won't talk to me. I'm on my third marriage and I'm miserable with life," all these things, "My health is going bad." And so I see, unfortunately, a lot of entrepreneurially-minded people fall into that trap.

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I obviously caution you against that. Hang around smart people like Dr. Phelps and his team, and you hopefully won't make that mistake.

Dr. David Phelps: You and I have a similar background in this respect. We've always been curious about other things. Yes, we had a focus to go into dentistry for you, orthodontics. Move to different levels there.

And that's what I call our primary plan A. That's the engine. That's the engine that can drive you forward. **Dr. David Phelps:** Today, Dr. David Porritt brings over 35 years of business and dental industry experience to the Freedom Founders podcast. David is the CSO of the Productive Dentist Academy and is passionate about helping dentists and their teams achieve increased productivity, decreased stress, and improved career satisfaction.

In our conversation, we go over ensuring you have the right experts on your side when selling your practice, the problem many dentists avoid until the last minute. How much is it worth holding out for more capital from the sale, the drawbacks of losing control over your practice, and how to combat the fear of missing out on more money, a bigger lifestyle, an expedited sale, or an outcome that wouldn't fit your life anyway?

David focuses on more than just the quantifiable aspect of business and selling a practice. You may get the highest multiple and be able to leave the day-to-day management that has been your burden for many years, but are you prepared to stop being a dentist? Who are you if you're not holding a handpiece?

What does success look like after dentistry? And do you know how to support your lifestyle with certainty when not running your own business?

Dr. David Porritt: I wrote a doctoral dissertation on the topic of consolidation in dentistry. And the more relevant aspect of are doctors happy in the environments that they're choosing. And it's relevant to the discussion about the changing economy. It's relevant to what I'm experiencing right now in helping doctors navigate through offers for their practice for a group that we are forming together.

And I figured if I'm going to put my academic time to application in this industry, it's let's help launch a group and see if we can do something different and provide a better outcome for doctors. And thank you for acknowledging that my position has always been the advocate for the doctor in finding that in certain aspects, you reveal agendas that are ongoing in people who are involved in this process. It's not a bad thing that they have an agenda. It's good that you know that they have that so that you can navigate your own agenda and get to the conclusion that you're looking for.

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The article that I'm writing specifically, it's really caveat emptor is buyer beware, caveat venditor is seller beware.

And you really do have to be aware as a seller. Who are you in this transaction to the buyer? And what do you represent to that buyer? We all bandy about the acronyms that are used now in finance. EBITDA, and everybody's looking at SDE, Sellers Discretionary Earnings, and you're more than just a number in this transaction.

And so the bottom line to it is understand the financial mechanics of the deal, but also understand so many of the other aspects that end up really being the environment that you're getting involved in. You're going to spend the remainder of your career or the final phase of your career. So it is something I'm very interested in and I called you very specifically so I could interview about some of the alternative considerations doctors should have if they're looking at a deal.

Oftentimes those numbers can be pretty big that these organizations are throwing at you. Much of it may be upfront. Maybe it's a bigger payout down the road, but how does that affect your planning? How does that affect what you considered for retirement? I think one of the things that we enjoyed in our prior conversation was looking at the landscape and knowing you can't go into this unarmed.

You can't go in unrepresented by others who are looking out for your interest. Attorneys and accountants and brokers and there's so many people involved in this process, but you really have to understand who's on your side of the table that's looking out for your best interest and certainly someone who knows this environment well and has been through this at least a number of times to help you navigate. What's that old adage, you look around the table and you can't identify the sucker?

Dr. David Phelps: You might need to hold a mirror up, to figure that one out, right? Yeah, so much truth there. And I think to your point, anything in life that somebody has a product, a service, an end game if you want to call an exit from a practice, it's somewhat of an end game or transition to an end game.

It doesn't have to be, but it's certainly a major transition. Anybody can make something sound good, but it's always, what else do you not know? Speaking of you, the individual doctors, dentists, who probably most will only go through this one time in their career. Most of the time we'll go through it, a transition of phase, sale of some kind, usually go through once.

Some percentages are younger, may do it twice, but it's a rare occasion. And those who are representing the buyer side, we'll always try to make it sound like everything's good, only all the benefits. And we know that's never true in life. Everything, every decision we make or non decision we make is a trade-off.

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There's always a trade. And if we don't understand what this other side of the trade is, it's really hard to make a decision with any intentionality, again, you've done this multiple, multiple times, even fairly recently with a group that you've been very, very engaged in without talking about any specifics.

I know that as you and the group went down the road, more areas of the agenda of the other party, and again, as you said, everybody has to have an agenda. There's nothing wrong with having an agenda. It's just understanding. But more of the, that agenda was exposed some of it to the detriment of individual sellers within your group.

And that's something that my knowledge and I don't have all the specifics, but you navigated that very well. And the people I've spoken to were very, very happy to have you as an advocate to help them understand the questions that they weren't asking 'cause they just didn't know, helping them look at through the lens of all the different aspects they needed to look at before they would actually make the decision to go forward.

Dr. David Porritt: Well said. I think there's so many corollaries to what you teach at Freedom Founders about understanding the different sponsors of deals and understanding the mechanics of the deal and understanding the legalese that gets put into the documents that are presented to the doctors, that there's such a variety of skill sets that are necessary to really understand everything that's going on in those transactions.

And I cannot even begin to imagine being an investor going out into the real estate market where these people are expert at what they do, but we're lambs to the slaughter if we don't know the questions to ask if we don't know the rocks to turn over and look under. And there's a lot of great operators out there, but unfortunately, the landscape's tainted by those who aren't necessarily the great ones, and we can be vulnerable to that if we don't know what we're looking for. Same thing in the transaction world with DSOs. I would never make the accusation that the average DSO is out to swindle a doctor. No, they're out to do the best for their investors, which is their primary obligation, actually, and wanting to do that with a cohort of individuals who agree with the platform they're building and can tolerate the environment they're providing and think that this is a good financial return for them.

But there's a hundred questions to ask on the front end in order to be able to understand, should I even continue in these discussions with this group? And the interesting thing is in our experience, and I've had this validated with several others, you often don't get to the real tangible bottom line triggers for deal or no deal until you've gone through the exercises that are necessary and the due diligence and the quality of earnings and all the rest of that.

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And so you have to know that going in, this is not going to be a simple process. I'm not going to get the answers to all my questions upfront. You may get an answer. You also have to be aware those answers can sometimes change in the context of, well, we gave you that concession because you asked for it.

Now we're going to take something on the other end and then you have to rebalance the equation and make sure that it fits. But what I certainly see now is you can't do this without expert counsel.

Dr. David Phelps: That counsel really, we've talked about this, really needs to be comprised of a team because there's not one person.

That has all of the capabilities and experience in all facets of this relatively major transaction that has a lot of nuts and bolts within it. You've got to assemble a team. And I think that's something that you and our friend, Dr. Bruce Baer, PDA, and a lot of people that we have mutual clients within, they like to be part of these communities because there is a network and resources that give them that team approach. They can bring their own people in. But again, I think no one of us, particularly in a transaction that we may do once in our lifetime is going to have that team already assembled. It's just, it's not going to happen. So I think that's a big part of it. The other thing that we've spoken about, David, is, and it's the thing that I hear often from doctors who approach us at Freedom Founders about what we do and if there might be an alignment or fit is many times, those doctors are already in the midst of considering a sale of the practice.

They may be somewhere down the pathway, maybe just starting thinking about it. What I think we both found is that the offer valuation, no matter how much is going to be potentially provided to the seller on the front end versus the back end, the aggregate number can be quite large in relative to the total dollars that an individual doctor has accumulated over their lifetime in various investment accounts or cash accounts that we're talking about several multiples of millions of dollars, depending upon the practice size and the EBITDA and the numbers that are calculated and a doctor who is working hard and maybe feeling that burnout that everybody goes through.

It's real out there today. And this number, let's just throw out another say three and a half million dollars. Well, again, is that front end? Is it back end? What's the split? What's the net after, taxes and commission? And you start peeling down the layers and what we often find, David, and I know you've had these conversations over and over again as well, whatever's left of this proposed deal, what's the doctor going to do with that?

I mean, it's nice to have that money wired to your account and say, "Well, I've got a couple of million dollars here. I've never seen that in my account before." That feels

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really good for a moment. And then you realize I, as the seller, well, I just took equity out of this practice that I've been managing and building, created with my hard work and effort.

Now I captured that equity now, and now I've moved it from an active bucket to a passive bucket. I'm still responsible for it. Feels good to have it, but now I've got to learn some new skill sets because I've now got to take that net equity and make it do something, which I knew how to do it in my practice as much as I was getting tired of it, but now I've got a new responsibility.

I know you've had those kinds of conversations. Add some color to that, if you would. What goes on in the minds of doctors as they go down this path and come to that realization that maybe what they're going to end up with is not as much as they thought, or they are not capable of moving it forward in the same way they could with their practice.

Dr. David Porritt: I will put in a shameless plug for your book, "How Much is Enough?" Read it over the weekend because that's the color and context of a lot of the conversations that we have with Dr. It's so easy to get distracted by a big number. And candidly, David, three and a half million for so many of the practices now, that's the first piece of cash that they're dangling in front of you.

And then they're dangling double-digit millions of dollars on the back end. And again, I'm certainly someone who looks at the opportunities ahead and looking for the investment that will multiply over time and beat the average return. And certainly, private equity is doing that in dentistry and has been doing that.

They've been getting the lion's share of all of that so dangling those numbers can distract people. And so a lot of the conversations that I have with doctors is let's pay attention to the mechanics of this deal to get to that really big number, there's some things that have to occur, not the least of which the economy continue to ascend, interest rates need to drop again, consolidation needs to revisit some of the glory days again. We haven't seen all the indicators that's going to happen. The standard conversation that I have with doctors is, well, how much is enough? How much is the number that you need to truly feel like you've been freed up? And as you point out so clearly in your book, it's not just a big number that you can deposit in an account somewhere and then start drawing down off of that because that has to be a fairly big number, because you're still going to experience swings in the value of that account if what you're doing is betting on Wall Street to maintain its value over time.

And so those are some of the conversations we have, but how do you replace cash flow you just lost? And that cash flow for doctors is, you know, we're using the word EBITDA all the time, and that's what the financial people use. Doctors never used that. There's another term, Seller's Discretionary Earnings, meaning that's your

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practice, your profit. Whether you paid yourself a salary on a W2 to maximize 401k, etc. There's lots of different structures that you can put into place, but that was your money and that was your cash flow. When you transact, oftentimes your cash flow is diminished to mostly just what you earn as a provider. And so what you find is there's a big hit to income.

Yes, you've been prepaid for much of that, but there's a cash flow gap now, and that's what stymies a lot of the conversation. But in revisiting the how much is enough, well, if you could cash flow that value in the three and a half million that you got up front, or the two and a half million if you could turn that into a couple hundred thousand dollars in cash flow annually, does that change the equation?

And oftentimes it's an interesting conversation because oftentimes you'll get the doctor to stop and say, "Well, how would I do that?" Well, that's not my expertise. I know people who are expert at that, but that's a different way of looking at how much do I need in order for this to feel secure. And I'm going through that process right now.

We have several doctors who are now looking at two very different deals. The structures are very different. They're both good deals in the market today. And what's fascinating to me is what appears to be a really good deal on the left side of the column for certain doctors is not the good deal for the others on the right side of the column thing.

Well, the other deal is better for me because of how it's structured. And so it's not always just the number that's being presented as here's what you'll learn overall when you get there. Well, how does that flow? How does that transaction flow into my bank account? How do I feel about the timing of those different transactions, the recaps of this, et cetera?

And so it's an individual choice. There is no one answer. There's no best deal that fits for everybody. What you see a lot of is the structure and the mechanics of the deal are revolving fairly rapidly in this environment to try to overcome high interest rates. Well, private equity isn't the only one taking risk in this.

The doctors are taking risk as well so you have to learn how to mitigate that with how these deals are structured. But I think it still comes down to that fundamental question: How much is enough? If they dangle a number to you that you never thought you'd ever see that much money, well, is that the reason to do it?

Oftentimes when we get into the final conversations with doctors, we find that no, there are other things that are more important.

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Dr. David Phelps: David, do you see in the work that you've done in dentistry with our colleagues over many, many years, and certainly at this point where you have

been really involved in helping doctors navigate potential sales private or to private equity, either one, are you seeing any more dissatisfaction with doctors, dentists in different periods of a career?

I mean, certainly younger docs today, and I was one at one point, you come out of your education and getting licensure and credentials and you're ready to go. You have all the zeal, I finally got there and I can go out and take my craft and start learning it and build the practice, whatever I thought I want to do. Are you seeing more burnout, more exhaustion with all the things that any business owner has to put up with today? Are you seeing any more today than you did, say, 10 years ago? I'm curious because again, you've been involved. What are you seeing? And is it the same? Is there any difference?

Dr. David Porritt: That's a great question, David. And I hadn't actually thought of that until you just asked, how do I compare and contrast that I'm going to age myself? I've been around dentistry now for 37 years and I love this environment. I do want to add the disclaimer. I have been with a lot of doctors that have gone through a lot of these transactions.

I'm not a broker. I'm not a fiduciary. I have no agenda because I have no upside benefit to a transaction. I don't get a fee. I don't get anything out of it. I'm literally just an advocate for the doctors because of the position I get to be in as a neutral observer of what's going through in these offers.

And the reason why I joined up with Bruce and Victoria again is right after publishing it, they were asking me to talk to their doctors who were being given unsolicited offers from DSOs. I think if I see anything as far as the dissatisfaction, it's that a lot of doctors are seeing these numbers and are of the opinion that I need to do it now or it's going to go away and if I don't do it now, if I don't transact my practice or get in on the DSO bandwagon, that I'm not going to have any options.

And so they'll perhaps make a decision for the wrong reason. And I think that may be more of what I'm seeing in the older demographic. Well, I better do it, better get out now 'cause I'm never going to get this kind of money again and then find themselves in an environment that, "Well, this isn't what I was thinking I was going to be doing at the end of my career, built a stellar practice. Someone else is now kind of in control. And this wasn't what I was expecting it to be." And I've talked to plenty of doctors who are happy with the decision. "Hey, I'm just writing it out. I'll be done in a couple of years. And everything's going to be just fine as far as I'm concerned." But I think also there's the flip side that everyone thinks that the younger doctors coming out are

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just wanting lifestyle-based environments that allow them to work as few hours as possible and make as much as they can because they want to do other things.

I've met some really interesting young go-getters entrepreneurial dentists coming out of school going, "How am I going to buy my first practice 'cause I want three more after that, and I want to get after this." And I've seen examples of it. I've seen some of these younger doctors that are already, in fact, coming out of school with practices that they're ready to make offers on and ready to buy knowing full well that they're in the minority amongst their classmates.

But that opportunity does still exist as well. So, I'm curious to see how the profile of the dental student will continue to evolve over the years as the dental schools fill their classes with those who are looking at 50% of the profession is consolidated. I predict 7 to 9 years from now, we'll hit the tipping point 60, 65% of the profession will be consolidated at that point, and it will fundamentally change the environment for a lot.

Dr. David Phelps: But I think, too, unless the debt burden that has escalated so much the last few years, unless that changes, I just don't see the opportunities that many of us who are older in the profession had, coming out of school back in the 80s or 90s, or even early 2000s where, you know, still getting financing and not having the debt load, you could make it happen. I think you're right. I think with the environment today. Is making it much more difficult for those younger doctors who even aspire to have a practice to think twice and realize that maybe they've got to just hunker down and work for somebody to just pay down student loan debt, for example, before they can even think about that.

So that's really changed the dynamic. And I think that's also what has provided the opportunity, be it good or bad for private equity and DSOs to come in and fill the void. In other words, give a place of employment to younger docs who otherwise may not find as much opportunity. And they need a little bit more of a guarantee and maybe some benefits and things of that nature that private market isn't always able to provide, at least on a scalable basis.

Dr. David Phelps: Yes, absolutely.

Dr. David Porritt: You're having discussions with doctors who are looking at the potential for exit. Do many of them get closer to the finish line? It looks like a deal's coming to fruition and so far checking all the financial metric boxes and legal documents and employment agreement, all the things that you have to look at and they're checking those boxes.

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Do they ever get to the point close to the finish line and wonder about what's next for them? Kind of like an identity crisis. Like, "I've been doing this so many years and even though I'm tired and I'm feeling burnout," and "Boy, if I could get the big check, I'd feel good." But then they get looking at it and then in the chasm of like, "Well, who am I really going to be now?"

Particularly if they're not going to work back or even, I would say even working back with a contract, David. Not owning and controlling the practice any longer. That's a step-down. I mean, right?

Dr. David Porritt: It is a fundamental psychological shift for doctors. And I've talked to them on all sides of the equation.

Those who are looking at the big numbers saying this is going to change everything. I can't wait to get that number and doctors on the other side of that equation that got that big check. It's in the bank. And to your point, now they're asking, "Well now what? Is this how I end my career? Am I useful? Am I leaving a legacy? Or did I sell out?" And I would never accuse a doctor of selling out if they took the big check. They earned it. They built that practice that somebody else saw the value in and they want to buy that practice because they see the upside opportunity for them to continue that trend. And what's really interesting is we brought in a couple of dentists who started a counseling group for dentists about how to navigate change because of what they're seeing, because they experienced it themselves in the transaction of their practices.

And so they realized nobody prepared them for that eventuality of questioning, "Who am I now? What did I just do? Am I actually an employee of this organization? And is that how I saw myself going forward?" And so there's a whole psychology around preparing yourself for that change, the eventuality that someone else is going to be in control when you've been the decider all along.

If that's one of the bigger points doctors make is, "I just can't wait until someone else has to deal with my employee issues." Yeah, right up until they make a decision you didn't agree with. Exactly. Then you're gonna say, "I would have done that differently," right?

Dr. David Phelps: Everything comes with a host of its own. Call them unintended consequences or consequences that were not anticipated. You know with your experience that they're going to be there, but a doctor who's never been through it doesn't realize it. The idea of having someone magically uplift and take away all the admin and managerial problems, it's just not, it doesn't quite work that way.

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Not to the extent that they wish it would. I'm not saying that it's not a help and assist, but you're right, again, we're back to a trade-off. Insights or advice you would give to a doctor or a dentist who is having that feeling that you mentioned, like the FOMO, fear of missing out. Whether they're younger in practice, mid-career, or even some of those young docs who are trying to build up multiple practices early on or a doctor who's really at the end of his or her career and knows it. Final advice would you maybe give our listeners today? Although I know you've got a paper, an article coming out. That's going to spell all this out. Anything that we've left off the table that you think needs to be said here today?

Dr. David Porritt: Well, I do want to address one thing is it sounds like I'm giving a shameless plug again, but I've experienced this and because I wrote the academic paper in my doctoral study about that environment about consolidation in dentistry and the satisfaction factor. And one of the things that came clearly out of that study was the number only salves the, and I don't want to call it a wound, but the number is no longer the joy that it was when you deposited in the bank. Yes, it's still there. It's a comfort. But one of the things that I experienced in the Freedom Founders environment was the Blueprint Day. And the Blueprint Day was much, much more than just a plan.

It was an agreement. It was a consolidation of all the values that my wife Sandy and I have in going through the exercise and trying to determine how much is enough and what is the plan going forward, and even as important, who are the experts that I can rely on? Who can I go to get some answers? I was introduced to some legal counsel that became critical in the next steps that I was going to take.

I was introduced to accounting expertise and there's so much opportunity. And I know these doctors have a lot of this expertise around them, but the point I'm trying to make about that Blueprint Day was have a plan going through this transaction and you need expertise to help you understand how to formulate that plan, how to ask the right questions to be able to answer them to then put that into your plan on this day. When I get that money, what's going to change, what's different, how am I then going to feel secure about the future and the decision that I made, and then how do I identify experts that can advocate for me to get to the appropriate transaction if that's where I need to go? I would say for anybody that, fear of missing out, don't be in a hurry. Absolutely do not be in a hurry. Look around for experts that can help you ask the right questions, formulate your own targets and goals, and then put together a plan that you can execute on knowing full well you have support all around you on that.

That's, I think, fundamental to this. Kind of to your point, I've talked to too many doctors that got an unsolicited offer and suddenly they get caught up in the slipstream and they're halfway through the transaction before they realize what they're doing.

You Are More Than a Number - Selling Your Practice and Leaving Dentistry - David Porritt: Ep #499

Dr. David Phelps: Successful practitioners and business owners plan ahead for most things. Their schedules are created weeks in advance. Systems for increasing productivity and efficiency take months of hard work. Getting the most out of selling their practice or business begins years in advance, but they often leave two things unattended. What do you do once your practice is sold and you have all this cash burning a hole in your pocket?

Who will you be after selling your practice? Many doctors and business owners face a loss of identity once they retire or leave the business. Some make tremendous mistakes trying to put their money to work before fully understanding how to invest. This includes failing to plan for the loss of income from their business.

You're putting your financial future at risk if you're not planning ahead with the capital you're going to eventually receive from the sale of your business or practice. Look, it's more certain in our ability to make money, to create the income with our degrees, our talent, our technical skills in the business that is our practice.

But once we harvest that equity from that business, that practice, making that money work as hard as it can for us, for you, without taking unmitigated risk is really the problem that we have today. It's all about replacement income. How do we replace the income that we produced with our labor for so many years with the capital that we created by running and operating a good solid business?

Once you start drawing down capital, instead of making that capital work for you and actually increase its principle over time, the effects of inflation and just the reduction in your principal balance over time is going to leave you feeling very uncertain, probably stressed out, and almost afraid of the future, maybe having to downsize or minimize your lifestyle at a time when you should be enjoying the fruits of your hard labor. That fear of missing out becomes stronger and trying to shoot for those high returns, what I call shooting for the moon, trying to make up for lost time, or just because one doesn't know how much is enough or how to make your money work for you becomes a real problem.

Never learning to invest will leave you typically overwhelmed with choices, and leaving you also vulnerable to those who are seeking your capital to invest on your behalf. My best advice for you is to learn to be your best financial advocate. That's worth all the time and money in the world. Who are you without the handpiece?

This is a question you need to answer far before your decision to leave the clinical practice of dentistry. Yet too many people focus on that skill set. The CE courses, everything that makes you who you are wearing that hat of doctor, the respect that you get, and yes, the satisfaction you receive by helping people with their problems, your team, your staff, you've got a place to show up every day where people need your help and the solutions you provide.

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You're the leadership in everything you do. That is what creates our identity for so many years of our lives. It's important. Well, before you get to the point of leaving your practice and that identity as a doctor, as a servant for other people, it's very important that you start to create outside interests, the curiosity, the things that maybe you wish you could have done and you're putting off because you think you'll start to do those in retirement.

In my experience with working with many, many hundreds of other doctors, that's too late. You've got to be working on those other interests along the way. Not easy to do. But having those interests, having a tribe to do that with, to explore other avenues where you may become fulfilled after practice is very, very important.

It's important that what's important to you does not change regardless of your career path, professions, or skills. If helping people, solving problems is something you've always enjoyed doing, there's other ways to do that as well besides with a handpiece. This is the mantra that I tell so many people that are in Freedom Founders is it's one thing to be financially free and set yourself adrift from the hard work that you provided for your patients and your family for so many years and actually have another place to go where your self-esteem, your self-confidence isn't at risk. And I think that's something that everybody should think about far in advance of leaving their identity behind with a career.

Practitioners and business owners are leaving too much undecided. Now is the time to diversify your income streams, start creating your replacement income, and figure out what's most important to you, which is your why.

Starting on those three things will advance you further to your freedom than anything else. If you enjoyed this episode and want to hear more like it, be sure to follow, subscribe, and hit that like button so you don't miss a single episode. I'll see you next time.