

From Grief to \$23M: Building a Dental Legacy Without Selling Out – Dr. Kelly Brown: Ep# 574



Dr. Kelly Brown (00:00)

And I said, I'm good. I can live on the incomes that I've got without me going into the dental office. And I see a lot of people really hesitant in that first step. Well, wait a minute. I've got to stay here. I got to keep making this. Well, if you've put yourself in that position, get yourself out of it. Because if you don't, you'll never get there. You can't still second and keep your foot on first.

Decades ago, I hustled to grow my dental practice and real estate empire. Society patted me on the back and every new deal and patient reinforced the success they said I had. Then my daughter Jenna was diagnosed with leukemia. Nine years, several intense chemo treatments and years of epileptic seizures, my daughter was given one more miracle, a life-saving liver transplant. In that hospital, I realized I wasn't successful. I had money, I had real estate assets and a business, but the only thing that mattered was time with my daughter.

In that hospital room, I decided to sell my business, leave active income and sustain my lifestyle with my real estate assets. Now, Jenna is healthy and all grown up and me, I am teaching others to do what I did. And I continue to uncover the principles, strategies and lessons we can apply in business and investing to create ultimate freedom for what matters most to each of us. Welcome to the Freedom Founders podcast.

Today's episode is one of the most transparent, hard-earned, and legacy-driven conversations we've had in some time. I'm joined by Dr. Kelly Brown, a longtime friend, dentist, and

entrepreneurial leader who built a dental group from the ground up, not through private equity, but through people-first partnerships rooted in mentorship and ownership. He created Real Freedom with intention.

with his practice, not just one practice, but over a period of years, built 21 practices in four different states. Now know that sounds like scale, that sounds like big, big numbers, but that's not why he did it. He didn't need to do that. What he found was through his leadership and ownership, but without the practices owning him, he could build what he loves in life and that's purpose and meaning.

Dr. David Phelps (02:05)

Kelly left chair-side dentistry many years ago, but he loves the mentorship and bringing on new dentists and giving them a pathway to ownership while he still gets to sit in a chair of being purposeful and meaningful. Exit Optional is my philosophy in life, and Dr. Kelly Brown really embodies this particular philosophy. We're launching my new book, Exit Optional Playbook, this week. Love for you to grab a copy of that if this is something that resonates with you. Well, Kelly, it's so great to...

see you in person to kind of have you back in orbit here. We have many, many years of being in different rooms and being associated and affiliated with the profession of dentistry. We've both been, you know, definitely hands on at various points. And we both have, I think, learned a lot through our lives and through our models and our experience. And what I want to do is before we start talking about

multi-state practices and mentoring under Dennis and working alongside your son, Nathan. I'd to take us back to the version of you, Kelly, when you felt like you almost just didn't make it. mean, back to the young Dennis, talk about what that role looks like because, well, we have to give contrast here, right? I mean, it's easy for us who have done the hard work and kind of put aside all the stuff that didn't work out and just say, well, it's all good because I'm here. And that's true. That's true. Perseverance and resiliency.

is important life. But I think until people listen to us, want to know where did you really come from? So paint us the picture.

Okay, thanks Dave. You it's always good catching up with you. And of course, I watch you, you probably don't know how much I'm watching you, but anyway, I really enjoy your content and what you're doing for dentistry and all the professionals that are affiliated with you. You're doing a wonderful service. Okay, so I graduated in 1976. like to...

Dr. Kelly Brown (03:58)

I'd like to say I graduated right after God created teeth. So it was pretty handy. So, but I got some advice while I was in dental school from one of the professors that said, you know, because I had no, I didn't have anybody even graduated from college, much less dental school. And so I was like, ooh. And back in 1976, there weren't a lot of options. You know, you went to the military or you went

set up a shingle or you had a relative and you moved in with them and work for them. But in my case, I didn't have the relative or the desire to go in the area of the military. So it was hanging a

shingle. So I asked my professor, what should I do? And he said, Kelly, it's real simple. He said, what you do is you go to the community that you plan on going into and all you need to do is look around, see what they're doing and you do exactly what they do.

You know, if they're open this many hours, you're open that many hours that they were doing these procedures. You do those procedures. If it's, they charge this amount, that's how much you charge. So it's real simple. Dave, you got to be careful where you get your information. And so anyway, I did exactly what he said and it was just a terrible, terrible experience. If, I could have called in sick, I would have my wife's dad was a car dealer. kept telling her.

Man, I go sell cars. mean, this is crazy. I'm not making any money. My patients are ticked off at me. I'm in this community where the dental IQ is zero. Nobody has money.

Just so people know, Kelly, so where you grew up and where was this?

Dr. Kelly Brown (05:35)

Yeah. Okay. So Guthrie, Oklahoma, which is a booming town of 10,000 people since the 89er run hadn't changed. anyway, so I was convinced that I was, I was, had been dropped into a circumstance that it wasn't my fault that this was happening. And I was looking for a way out and I had a very traumatic situation going my life. I just, I lost a son, a two year old son and had to get a

two credit cards to bury him. And that's after 10 years of being in practice. I was just, thought, I mean, this is terrible. And I literally had to come to Jesus and I said, I've got to do something. I can't continue on like this. And lo and behold, I got a direct mail piece from somebody and they talked about, Hey, dentistry is not a, it's business and you need to come learn it.

And I thought, well, maybe that's my problem. And so I started down that path and that's been 30, 40 years ago now almost. And I've stayed on that path. I'm still learning about this business. But the point is, that I, the big, the big thing, the big takeaway is that I realized that my circumstances, as long as I blamed it on everybody else, my community.

the, you know, the dental IQ, their economics, the whole picture. I couldn't do anything about it. But when I looked in the mirror and realized that I was the common denominator on all these things and I had to work on me. So I invested money I didn't have to begin with. And I went and took all these courses in business and marketing and tracking and doing all kinds of things and started down that path.

And lo and behold, in the very same town, the very same population, the very same, I went from doing, I was in the bottom 5 % of solo practices in the state, and I went to the top 5 % in solo practices in the state within about three to four years. And so, so that kind of got me on a path and, and, and I got my financial props underneath me and, and, and paid off a lot of stuff that

Dr. Kelly Brown (08:00)

I had dragging around and so that's kind of where I started. and then I, and then through the period of time, I tried associates and things like that. It didn't work real well. And finally I had a guy who was a social friend of mine in town, a dentist, Indian health, going to retire. Couldn't really financially retire, wanted to, wanted to come into my practice. And I told him by then I had

quite a, it's about 10 years down the road from me.

having my renewal and I pretty much had a lot of good systems in place. And I told him, said, you know, I've got some proprietary systems I think would work. There's a community down the road, 30 miles. I'll help put you up in business. I'll run all the backend stuff with the systems and everything. You be the leader of the team and take care of your patients and we'll partner on this. And that was the beginning. And that was in 2020, no, 2002 is when that was.

when we opened up that office and it worked. And then from there, then my son graduated in 07. He said, I want to do what you guys are doing. We set that up and then some of his classmates and then some of their relatives. And so today we have 16 offices in four different states and we do about 23 mil, something like that. And, and, and

You know, that's kind of where we're at. We're kind of, we operate based off of the fact we find the right people first. We don't like, okay, we want to go to, you know, Gainesville, Texas, because that's our location and we'll build a building and then we'll put somebody in the building. We don't do it that way. We find the person, they kind of go through, we have a mentorship program. We make sure that they're a good fit with our culture and with our program.

And if they are, then we start to talk about, OK, where do you want to live? If it's a female, she can make her decision like that. If it's male, he's got to go ask his wife. And then we find a place that makes sense, that they can live in a community or an area they like to live in. And yet we're in a dental market that we can win in.

Dr. David Phelps (10:23)

There's so much there to unpack. I wanna go down about 15 different rabbit holes. Let me just start out with this one. In the communities in which you decide as a good community to place another doctor who you've, as you said, you've vetted, what's the range of population size or density just in general? Is there a certain range that you look for of population size of city community?

Our demographics basically, it's a little rudimentary, but it works pretty good. Basically we take, you you can get the income per capita of an area and you can, you know how many dentists there are. Now the key is, is to know how many dentists, a dentist is not a dentist is not a dentist. So what we do is, is we bake, make mystery calls and find out, we doing root canals or are we doing ortho or are we doing implants or are we doing.

Or are we just doing a few little, and we're only open three days a week kind of thing, and we're not doing much. So we kind of add those numbers up and we divide it into the income per capita. And that kind of gives us a feel for the community. I'll be honest with you, some of the worst communities we're in, I've got to practice this in a community that's in the almost the lowest income per capita community in Oklahoma.

It's doing \$4 million, the practices. So, but he's the only show in town. That's kind of our rough way we look at it. We don't have like, we can only, now I think the smallest community we're in is probably eight to 10,000 people, something like that. And to be honest with you, those communities are much easier to dominate, if you would. The one I was talking about in the...

His, happens to be in this area close to the Texas Oklahoma border and he literally can do TV ads for \$1,200 a month in that market. So, you know, he's a movie star.

Dr. David Phelps (12:27)

Exactly. What's what's but you're not in any large metro areas.

We are, we actually are in McKinney, Texas. That's a pretty, that's, mean, that is a busy place. That's a tough market, tough market. We're in a place called Owasso, Oklahoma, which is a suburb of Tulsa, which is a pretty, pretty aggressive market. But no, we try to stay, I try to guide the guys to stay kind of in a rural set because my gosh, it's, you work twice as hard and make half as much in a metropolitan area for multiple reasons.

Yes, yes. And so here's the additional question that comes out of this is a lot of our colleagues who may be authentically looking for help, associates, partnerships, but they may be in more rural areas. That's where they grew up, like where you grew up and it's your home and you know why you grew up there and the values there and all the things that I don't have to sell you on. But today it seems like there is a lack of younger docs who are

I should say willing, but maybe it's the spouse. I don't know. I'm not putting a blame on anybody that's willing to live in an area that is maybe more rural, more economically challenged. It sounds like you deal with that some because you're looking for the right person and you have the right person just like, I don't know if this analogy is good, but you know, a football team, right? Or something that like, well, we want a strong bench and we like the qualities of this player. We're not sure exactly where he is going to fit in.

Dr. David Phelps (14:02)

But man, he brings something to the table that you just can't really put on paper. And I think you're looking for the quality of the person. Obviously, some other things have to fit that model. And then you say that we've got a quality person here on the bench, we're ready to go. But now we've got to find the right location. We've got to tie these things together, which is what you're also doing. So it sounds like you also have to ride that a little bit. You can't just put everybody out in a rural location, even though they can really crank it in terms of their visibility and their ability to be very highly efficient in their productivity.

Profitability, yet not everybody's going to say, I'm going go that far. So what's the spectrum look like? And is that something you, everybody has to deal with it at some extent.

Yeah. Well, you're absolutely right. mean, it is, there are, there are resistors to moving in there, which is just absolutely insane to me because you know, you can live and we don't like try to go off into the end of the planet somewhere and plop them in because there's not a dentist. But you know, if you can get 30 miles or 40 miles or whatever from, you know, from a

a target or whatever that's important to you in a metropolitan area. It's pretty crazy. I mean, most people in a metropolitan area drive 40 to 50 minutes a day fighting the traffic and yet to drive 30 minutes out away from the traffic doesn't logically a good move, just logically a good move. you know, and so some of the people I've got in areas that

You know, I wish they would have picked a little more rural area, but, know, I let them know going in, Hey, you're going to work twice as hard, make habits much. And if you're good with that, I'm good with it. And we are margins are set so that it, works out either way, you know, and the reality is, and you're the champion of it. It's not what you make. It's what you make of it. And so they can be, you know, they can make.

Dr. Kelly Brown (15:59)

300 or 250, I've got guys in rural areas making a million bucks. But if they don't take care of their money, they're not going to be any better off than the one that makes quarter of a million dollars and handles it properly for a period of time.

Well, going back to what you said about really being on your knees, tragedy in the family, practice model that's just burning out and just not feeling good. And oftentimes we know that when we are literally on our knees for life circumstances, that that's when change can happen, right? Because it forces us to do something different, forces us to come to grips with, all right, what I've been doing and add some other things to it that have really pushed me down.

There's something here. I know your faith is a huge part of your life. You mentioned it and you're free to talk about that as much as you want to hear because I'm, you know, that's where I come from as well. Putting that together. And then the next thing I heard you say was you got a direct mail piece that said something about the business of dentistry. And of course, in dental school, particularly in the area we went to school, there was nothing about the business of dentistry at all. You didn't mention that, you know, in the same same verse today. Of course, it's.

it's business all the way and we've seen it go all the way into private equity, which definitely turns into business. But that being said, you kind of took a chance and said, I've got to do something different because what I'm doing right now is not working. so it sounds to me like you, whatever the first entree was, it was a good enough step, a position to start changing the way you thought about you, your life, dentistry as a whole. And it sounds to me like what really came to the forefront was, what was,

business acumen plus the word that people throw around a lot, which is leadership, right? We toss that around a lot and there's lots of books and lots of great people talk about leadership, but what does it mean to you? And again, I'm digging into your mentorship of your younger docs, which is a big part of how you grow something today. People talk about, let's grow and scale something because we can, we should, I need to. And you start with people first because it is a people business all the way through.

Dr. David Phelps (18:07)

So tie in some of your learnings back then with the leadership that you obviously have exuded today, bringing on, mentoring young docs. How does that all fit together for you and how did that move you forward back those early years?

Yeah. So fortunately, as you know, as I was going through my educational process, I ran across a guy by the name of John Maxwell and actually got, you know, met him personally and talked with him a little bit. But then of course I haven't had the opportunity to deal with him on a personal level after that, but I have via all his materials. so he has, so that's part of our

curriculum. And I literally

Every doc that comes through our program, Maxwell has what's called the 21 laws of leadership. And it's a series and I go through every one of them. Once a month, I take a lesson with each doc and we go through it and talk about how that really plays out because the challenge with most people that get put in leadership positions, which dentists do, they get it confused with dictatorship. Dictatorship and mentor leadership is

two different things. And the reason they do is because that's all they've seen around them. I mean, when they went to school, teacher told them what to do and they got to do it and da da da. And, and their mom told them that and their dad told them that their football coach told them that. And everybody dealt with them in the past and maybe even previous jobs, professors for sure. And everybody dealt with them at a dictator. Anybody that was above them dealt with them most of the time in a dictatorship relationship.

Leadership is basically being able to influence. That's all it is. And being able to influence somebody to want to follow your vision or to help you accomplish something is much more powerful than dictatorship. Dictatorship you get basically people will do is the minimum that they can do to get by.

Dr. Kelly Brown (20:10)

And they'll only do it while you're watching. And so if you want to build an organization that gets outside, you know, your vision, whether it's in your dental office and you want the people upfront to do whatever it is upfront that they do without you riding herd on them or the people ordering supplies or cleaning the facility or doing whatever, if you're talking about a dental office, they work a lot better with leadership than they do dictatorship.

And so we, every one of the docs, and then in each one of our offices, not only do I present them, then I, part of our system is every doc has a team meeting once a month. And in that team meeting, the first half of it will be a leadership principle for everybody in the office. Now, not everybody gets it. Not everybody wants to.

buy into it, that kind of stuff. And I love it that way because what it does is it solidifies the people who really buy in and it repels the people who don't. And so Doc will really know, okay, this is who I really have, I can count on. These are the people that are really into it and they learn. And if you want Mary to be the office manager and she doesn't know how to do leadership, you're stopped.

I mean, unless you're gonna be the office manager. And so that's where leadership plays a huge part. And the bigger the organization, the more leaders, you'll find more leaders in there.

Well, to grow and to anything even close or resembling the size of what you've done, which is, think is, is tremendous is you have to have leaders that you do not have to dictate or micromanage. Otherwise you are as the owner and responsible person of the entire organization, I could be spitting plates everywhere. And that's not what anybody signs up to. I think what I would, what I would say, I'm just going to put my words on this, but your, your growth, your

Dr. David Phelps (22:14)

scale, which people love to talk about scaling up, right? But I would say you've done it all based on impact. Impact, growing people, growing people and then growing those people to serve communities, in this case in dentistry, because you can only do so much as an individual. As much as you may, you or somebody else may love the technical art of dentistry. And at some point we all get physically a little bit worn out on that. So if it's not going to be us and we want to still have impact, then we have to.

create and develop leaders at all levels in the practice, right? Whether it's office manager, doctor, hygienist, staff support, whoever it is, they've got to all have some leadership skills built in so that you don't have to try to be in 16 different locations in the same week, for example, which would just be crazy, be crazy. And some people I think end up building that kind of a thing and they regret it later because they didn't slow it down and build from foundational strength, leadership principles, as you said.

Exactly. You know, one of the things that you, I think, initiated our communication here today was the fact that in one of your Facebook posts, you talked about things that as you develop your business, things that are important to you at this point in your life. And one of the biggest things, and it gets to be more important to me every day, and that is legacy. basically legacy can start out at, you know,

You know, having somebody that can be your office manager. mean, we can, we can get it down to that level all the way up to, you know, wherever you are with it. We've got 150 employees. I've got a support team of I think about eight to 10 part and full time kind of people. I've got no office. Everybody, I don't have to check to make sure they're at their desk.

And everybody is, you know, my average tenure in my support team is 18 years. That's the average. I've got one that's been with me 37.

Dr. David Phelps (24:18)

I'm almost as old as you are.

I told her was a good thing that the teenage employment laws were liberal back then. Anyway, seriously, I think that that's the key. I've thought about the legacy thing and I thought about before our talk and one of the people I researched, as a of fact, I use him in my book that I wrote, Think and Grow Rich in Dentistry. He is a guy named Painless Parker.

And, uh, painless Parker was the turn of the century individual. And by the time he was, well, by 1928, 24, 28, uh, he had, I think it was like 40 dental practices all the way up and down the West coast, no internet, no phone, you know, the whole system. He had, I mean, he was a magician as far as.

Dentistry. mean, he was the guy that basically started, initiated local anesthetic. I mean, he's, he's a pioneer in our industry. Most people don't even know about him, but, one of his challenges was he, he didn't complete the legacy. within five years after his death, the whole thing fell apart. Another great book I enjoy is Eat More Chicken. It's the one by Truett Cathy.

You know, he passed away what five years ago, I think. And if you follow his business, I think it's only grown a couple of billion dollars since then. And so I looked at what, you know, what's the

difference in that situation? And I think number one is you've got to have a good culture, you solid culture. And if anybody's ever had a great culture, think true. Kathy has a great culture and I guess it still lives today.

Dr. Kelly Brown (26:13)

And then from there, then of course you've, you know, you've got to have the mechanics of the legacy. You've got to prepare the people. And so like you got somebody who want to take over office manager, you've got to give them some resources. You've got to give them some direction. You've got to give them the whole thing inside the culture to take on that position and do it the way you want to do it. Well, when you're stepping away, when you're talking about freedom fighters and things like that.

stepping away from your practice, the same thing. You've got to have that situation. Well, where I'm at right now is, you know, I've got a business, I've got my son who's, he's 44 years old. I've got a granddaughter that's 18 and got her, I mean, she's headed to dental or one, I mean, she's doing everything she can to go to dental school. So it's important that I have a good solid legacy. And in my group, my support team are not

young pups anymore. mean, they, they've been with me for a while. So we're constantly working on making sure that we're grooming the new faces and going over details of the things that we do that most people don't even know. I mean, really what I do, Dave, with custom dental, most people don't even know. It's all soft stuff. It's, it's teaching, it's teaching leadership. It's a

I, another thing I learned as a matter of fact, in the same organization that we met was how valuable a good employee is and how to make them feel special. And one of the things we do many, but one of the things is, is I personally write an handwritten note to every person in our organization at least twice a year. And I may never know them, but I got it.

I make these cards up and they're ready to go. This one's ready to go out on the 23rd. This one goes to Cheryl. It's going out on the 23rd. And so I make these cards, their birthday, inter-anniversary date with being employed. Well, most people don't think that's really important, but I promise you, I've got feet on the ground and I know otherwise. so, but you think about it, you know, what do I want them to do? I want them to write notes to patients.

Dr. Kelly Brown (28:36)

So how can I ask that if I'm not willing, right? Yeah. And so, you know, I know what it's like writing 300 cards a year.

You gotta walk the talk, don't you?

Dr. David Phelps (28:47)

You're right, it's those aspects that we are so quick to put off and say, well, that's just a little thing. But it's not a little thing because in a world today where people are not recognized and appreciated all the way down the line, even in their own families or in their own communities or church where people want appreciation recognition. that's how they're inspired to rise up when we authentically appreciate and recognize people for

the good work, the impact that they're having. For a normal person, that feels really good. That feels really good. It's much more than just getting a ribbon or a trophy. It's like someone recognized me and for the owner, the founder to be doing that, it definitely shows a lot of your leadership. I'm just, curious. There's a lot of discussion today about different beliefs based on the time that we grew up and you and I are...

similar age. And so we come from an era where we grew up, or whether it was, you know, in our our childhood with our family units, and then on to school and dental school and what dentistry was like back in the call it the 80s, if you want to call it that. And then then we have generations that have come on board since and every generation comes into, you know, a different social cultural structure, talk about culture, right? That's that's that's

broader than just our family units, but the whole thing is changing dramatically. And then of course, you add in technology and the internet and social media and now AI and just all the things that have changed so rapidly. So what I'm doing is I'm going back and saying, how do we, as people who aspire to be better leaders, build durability in our businesses, operations for legacy? And we know that we have to communicate and connect with

generations that we didn't grow up with. And there is a difference there. Where do you find the commonality there with people that didn't grow up with us, for example? Is it back to pure values? Are we going just for values because values should cross through generational change?

Dr. Kelly Brown (30:56)

Yeah, I think that's it. mean, the terminology and the words and the technology and all that kind of stuff, that all changes. I think the kinds of people, the core values and individuals, if you make those visible and you welcome, then the right people will appreciate them and the right people will be attracted to them. In this highly competitive market,

where especially employees today with, you know, all the inflation that we had months, years back or whatever. And now all of a sudden everybody's got to have more and feels like they need to make more and that kind of stuff. We've had to play along with that one. But to be honest with you, if you build the culture that's attractive to the right people, just like patients, if you build a practice that, that patients

buy into the culture of the practice and feel special about the practice and have a relationship with the doctor or people inside the practice. They won't be lured away by a free bleaching down the street.

And nor will your employees be lured away by \$2 an hour or whatever. And you've got to figure out, you you've got to, you've got to be able to offer something different than everybody else. And of course your culture and your environment and those kinds of things are going to be unique. If you'll, if you'll hold to them, we make it real simple. Our motto is custom dental cares and cares is an acronym for Christ.

centered, accountable to all, meaning I'm accountable to them, they're accountable to me, they're accountable to their team, they're accountable to their patients. Respect everyone, regardless of their religion, their color, their position in the office, whether the doctor or the person that takes the trash out. We respect each person as a person, a very important player,

people, patient, whatever. And then enthusiastic, E for enthusiasm, enthusiastically serve.

Dr. Kelly Brown (33:08)

that we don't just do our duty. It's, you know, I'm gonna make this phone call because I gotta do this phone call. I gotta, you know, I'm doing this because I'm making a difference. I wanna help this patient get in here, whatever. And then the last is student forever. That's the S. And that we believe that we can get better tomorrow if we work on it today. And so we have constant.

training programs in the program. We have a whole library of tools they can access everything from their own personal financial stuff with Dave Ramsey to all the leadership stuff with Maxwell to several other things that we've accumulated over the years. So anyway, those are things that you just don't get when you go higher on somewhere else. You know, when people do have to leave, I had one today, an email today, somebody that had to leave because their husband

moved them out of the state and now they're moving back in and gosh, do you have something available? If you present yourself as something that they can identify with and they buy into, I think that transcends whatever age bracket they are. And I've got them lowly like that at 21, 22 to 70 with me now.

That's terrific, that's terrific. I want to take what you just laid out so well and give, if there's some tangible nugget, here's what I'm thinking, Kelly, is you definitely started out and told us where you were a number of years ago, 10 years out, and just feeling you were at the depth of the depth of despair and this, I'd rather go sell cars, like you said. We're probably talking to dentists right now that they'll hear this.

And they're at different levels. There could be some exactly where you were some 40 years ago. There could be some that are quote successful by society standards, but man, there's other parts of their life. It's just burning out on them and they no time with the kids. And maybe there's a more separate, shouldn't, not physical separation, but there's more disengagement from a spouse because we just don't give them time. And I'm just talking about stuff in my own life. The practices, the revolving door of staff and, you know, patients and financial.

Dr. David Phelps (35:27)

debt and trying to keep above water, all these things, someone's listening today and going, okay, Kelly and David, where do I start? Now, I'm gonna just toss it out here, but it sounds like you decided I've got to reach out and get some help. And we're not selling anything here today. We're just giving advice or experiential advice. But you reached out, you saw something that you hadn't looked back in 10 years and you got a card and you reached out to, I'd say invest in yourself. Not more technical training in dentistry per se, but it was about business acumen.

about belief system, about finding someone who had maybe a philosophy of life that you had not yet found. What would you tell somebody a dentist who's listening to this today and they're in a place where they just, know they gotta make a move. What tangible advice could you give them not knowing their exact situation?

Well, I think the old rule of have to be works real well here. think that you do need to find somebody, if you have no clues, yourself, find somebody that has the life that you want, whether it's their autonomy or their freedom or their professional success or whatever it is that you aspire

to think about. Maybe I'd like to do that. think you need to...

I think you need to get as close to those people as you can, whether it's if you can get with them in person, it's worth paying money to get with them in person, whatever. If it's not, then maybe through books or through studying them or whatever. And then find out what they do. Find out, you know, you've got to, they've got what they have. How did they get what they have? And you have to look at, okay.

These are the things they had to do. And for years they had to do this and for years they have to do this and for years you have to do this. And then if that all fits, then, then get on your way of becoming that. it's because you've got the path. think a lot of people chase images that they don't have a good understanding what's underneath all of that. And when they get in the middle of it, they don't want it. So I think that.

Dr. Kelly Brown (37:29)

You got to find, you got to find your direction. You're number one. You got to find that's your number one thing. Well, you know what you don't want, but what do you want? You know, and, then from there, then pursue somebody that knows how to get there and, and help them get there. And you know, you're doing such a wonderful service with your group in that, you know, one of the things that I did learn through

the process is I drew, had, and I still do today. keep stats on my personal financial situation and I had this, what I call my passive income stream, passive income stream. And I would tabulate that on a regular basis. And then I had my overhead fixed to how Kelly likes to live. likes, he lives at the country club. Now he doesn't have to have a house payment, but he lives at the country club and

They like to go out to eat and he likes to go on vacations and that kind of stuff. And so what I did was, is I tracked those two and when the passive income crossed the overhead picture, that was true freedom for me. And I know that's what you're doing for the group that you're working with. And that, to be honest with you, when you get that put together,

All the other things you can start to prioritize because there may be some stuff that you're doing that you talked about that's driving you nuts. Yes. That you don't need to be. And maybe you need to invest some more time in the things that you do want to be doing, like maybe spending more time with family or, you know, being, you know, involved in some kind of community thing or whatever it is. But as long as you're, as long as you're handcuffed to that chair and, starting over every month and fighting it.

Every month. You're not ever, I don't care how much you make. doesn't matter. You're not a prisoner, basically.

Dr. David Phelps (39:33)

That's where high income becomes a trap because the high income, the ability, the hard work ethic, all the things that we were about and the ability and the blessing we have to be able to serve in a way that does provide that for us. But we end up letting our lifestyle chase right after that higher income and just chase all of it because well, hey, we deserve it. I mean, we've worked hard and there's a fallacy there and you're right. I tell people if you can center your

lifestyle desire, burn rate, overhead rate and modify that.

early in life so that you can get that passive income to broach that early in life, that frees everything up and everything else in life will expand. But if you're chasing it all the way up here till you're 69 years old, that's a tough mountain to climb. And many people, it just gets tough at that place right there. I want to catch one more thing with you. The model that you have developed with Custom Dental is owner operated. Give us a little bit of your philosophy on associate models.

versus owner-operated models. How did you make that distinction? Did you test drive associate models and go, eh, that's just not what I want? Or did you know from the get-go that owner-operated models were better? Give us a little of philosophy on that.

Well, you I think that the associate model, you become pretty vulnerable actually, as far as, know, if you, if you have a, associate in an office, I know a lot of companies, they, they basically are turning associates about 18 months and that's, that's gotta be chaos. So for me, I didn't want any of that. And now I don't want to get a partner in there that's not the right partner. So we do ride the associate.

But everybody knows going in that this isn't the long game.

Dr. David Phelps (41:22)

The is to move it into a partnership.

Yeah, the long, you know, if you like us and we like you at the end of three months, six months, whatever, we're going to get serious about, you know, getting, becoming partners in some kind of arrangement. So that's in my opinion, the, why we kind of went that way and why we try to avoid any kind of associate model. We, I think right now have one associate that is kind of

working in a place trying to, we're trying to figure out whether they're the right, you know, mix. And we've got two or three that are in the application process to do the same. So we're constantly kind of filtering through those kinds of individuals.

A lot of people think if I bring on partners, then I'm giving up equity, which maybe you're giving up, but also the control factor, right? Again, we don't have time to dig in all the nuances of that, but what's your kind of overriding answer to I'm giving up equity, which, know, I really want to give up equity, but what are you getting to return for that? Right? No turnstile, right? You've got people that are bought in as long as you've had them. And then the

the control part, you've got enough control, is that correct?

Dr. Kelly Brown (42:44)

Yeah, I'm the manager, if you look at the legal structure of every office. So I have the final weight of the decision. Now, once again, I don't try to pull the dictatorship stick. And I do have to do some negotiations with decisions that are to be made. It didn't just

No, or yes. It's, you know, hey, let's think about this. What are we trying to accomplish? But back to your deal about the, you know, I'm giving up equity. think what, why do you want equity? And, for me, equity is not nearly important to me as passive income. And that's what liberated me. It

wasn't equity. You know, you can have a lot of equity and be liberated. That's right.

No, no, freedom.

especially if it's heavily leveraged. so I, it was easy for me to, you know, I, don't give away equity. You know, we sell it basically.

Well, someone has to earn it.

Dr. Kelly Brown (43:52)

Yeah, right. But, but yeah, we don't try to make a killing on that part of it either. That's, really not the important part. The important part is the, is the, is the passive income. Once you get it set up, right. You talk about not micromanage in some of the offices out of the 16, there's one I've never been to some of them. I've only been to once very seldom. do I

even show up at an office unless I'm getting my own dental work done. You know, it's, uh, I, I'm not, I'm not a micromanager and I don't do that. So it was real easy for me to, to now I'm careful and I try to override and I look at the numbers and I see how people are doing it. And I can advise them, Hey, we, our new patient numbers are down. What do we do here? How can we improve that recall or your conversion rates are flat? Are you.

you are you going back over? I've got the three step new patient experience that they, you know, make sure that that's been done. And so there's different checklists that I go through to kind of give them guidance on, but I don't, I don't micromanage.

Just to give us a sense of timeline, you talked about 2002, I believe was when you opened the first one. then obviously grew from there. When did you literally stop picking up the handpiece?

In 2008,

Dr. David Phelps (45:22)

It's only six years after you opened that first one.

Right. Yeah. And really we didn't really expand again until we did 2002. And then 2007 was when my son graduated and he brought on two of his classmates. And so we had four offices and, and I still have my practice and I had my office manager who was now kind of the operations manager of all the other offices. And I could see that

It was time for me to make the decision to back up and to get out of the mouth and get, stay in the business part. And you know, there's another question. somebody, somebody says, how do you do that? Well, what you got to do is, you know, you've got to build a healthy businesses. But the second thing is you've got to be able to be willing to back up in your income. I had to take two steps back to take the steps that I ultimately needed.

And so I gave up a half a million dollars in income when I backed off of my private practice.

It's truly a reinvestment period to make the next moves in your autonomy and freedom and optionality. But that's the way you have to look at it, right? Yes. Right.

Dr. Kelly Brown (46:36)

So, and I said, you I'm good. I've got my lifestyle in a position that I can live on the incomes that I've got without me going into the dental office. And of course, you know, it's grown exponentially since then. But the point is, is that with that first step, and I see a lot of people really hesitant in that first step. It's like, wait a minute.

I've got to stay here. got to keep making this. Well, if you've put yourself in that position, get yourself out of it. You know, get your overhead, get everything in position so you can. Because if you don't, you'll never get there. You can't steal second and keep your foot on first.

Suck back in every time. Well, Kelly, this has been a great conversation today for people that are listening and would just like to connect to you. What ways can they connect or gain some more of your philosophy? I know you spoke about about your book, I Think and Grow Rich in Dentistry. Any other avenues that people can connect with you?

you can check our website out, is customdentalusa.com or you can email me at K-B-R-O-W-N, KBrown, at customdentalusa.com.

the

Dr. Kelly Brown (48:03)

Absolutely, Dave. And anytime that, anytime I get to share with you, I appreciate it.

My pleasure as well. Thanks, Kelly. In my own life, when I was in a period where I also had significant losses, emotional pain, I didn't have the same story that Kelly Brown had. I didn't lose a child, which I can't imagine that I came close to losing a child. That was close enough for me. I'll tell you what that does to you. It helps you regain

your real priorities in life. And that's something that I wish we could all have, not a loss, not something that's terrible and tragic. No, don't want that for anybody. But if there's some way that we could have the wisdom that we gain years ahead, and I don't think that can happen in life. You just have to go through life and you go through some twists and turns and the sooner we become cognizant of what life is really about, in my 20s, my 30s, you I was just go, go, go and build, build, build and.

That's just human nature, I think, for a lot of us. And yet, when I realized what I was giving up, what I was trading for, and that was being a father who was present and a daughter who I might not get to spend more time with, depending upon how her life and her health crises went, that's not the least for me. What it does for you is it takes away that...

attitude of scarcity or the urgency that I gotta make everything happen today, and it puts real life right in front of you. It says to what's really important? What really matters to you, David Phelps? What really matters to you? These are the conversations that I know we have when we get into our latter decades and particularly toward the end of life, and you look back and you don't wanna live life with regrets, wishing you had spent time, invested time in the other parts of life that really matter.

Dr. David Phelps (49:59)

It's a hard path to cross. I just hope that more people can cross it sooner in life and not miss out. Kelly also talked about legacy. Legacy for him, I think has lots of meanings. We didn't go deep into it, but legacy is something that you are living right now today. A lot of people think legacy is something that you leave behind. You leave your wisdom and maybe some notes and some writings that you had and you leave money and resources.

and you lived a good life, so you're a good role model. So you left all that behind you. Well, there's a part of that that's true. But we have the opportunity to leave a legacy right now, today, with how we act and interact, particularly, think, with people, with people, whatever that is, with our family, our spouses, our community, church, the interactions we have today and what kind of meaning we're leaving with people, just small interactions, small things. Doesn't have to be big, gargantuan projects. That can always come at the right time.

But just every day, what are you doing to, as my dad said years ago, I just hope that I left the world in a little bit better place by me being in it. And I think if we can all look at life that way, whatever that means for us, that's true legacy. And that's why I try to focus today. It's not having my name on a building or maybe after a stadium or a library in a school. Wonderful, fine. If you want to do that, no problem. Legacy doesn't have to be that.

Legacy is something that you leave in other people that lives on when we're gone. That's my thought about legacy.

In our conversation, Kelly made a point that I want to reiterate. What good is equity? Your net worth, practice equity if it controls you. Kelly didn't give it away. Kelly built an intentional model where he parceled out equity and allowed him to build freedom at the same time he actually enhances equity. You can actually have more at the same time while you actually do it with less. This is the philosophy of what I think is the right place, right time.

Dr. David Phelps (51:59)

for all of us to reconsider the old models of the past, models that maybe work at some period of time, but today, models are changing and there's a real opportunity if you just plug in with the right mindset and right philosophy. This is the core of the book, *Exit Optional Playbook*, that you don't have to sell out to have freedom. You can have both. You can be optional to have a practice you can sell or practices you can sell, but you can also keep them longer and enjoy the ride.

with identity purpose meaning and actually have a hedge against inflation. If this conversation resonated with you, please go and request a copy of my new book at exitoptional.com. That's exitoptional.com.