

THE EDITOR'S CORNER

On Hiring an Associate

In my part of the world, the temperatures are gradually warming, the trees are starting to bud, and the crocuses are beginning to bloom. Spring is right around the corner. In addition to such familiar rites of spring as weddings, proms, and graduations, we'll soon be seeing another one: a new cohort of graduating orthodontists looking for positions.

Today's orthodontic marketplace is a far different environment than that of my own generation, the one currently preparing for retirement. The ratio of actively practicing orthodontists to potential patients has certainly been reduced over the last 30 years. Back in the day, orthodontists had more patients than they could handle. Such is not the case any more; as reported by the biennial JCO Orthodontic Practice Studies, most practitioners now report that they are not working to capacity. In years past, orthodontists simply assumed that they would be treating the vast majority of available orthodontic patients. The concept of market share was rarely discussed. Nowadays, some estimates indicate that the majority of malocclusions in the patient pool are being treated by non-orthodontists—primarily pediatric dentists and GPs—so that our market share has declined dramatically. Compounding the problem, most young orthodontists are graduating with significant student debt. Several recent graduates I know personally have debt loads approaching or even surpassing the half-million-dollar mark, which means monthly payments exceeding what today's senior orthodontists paid for their student loans, home mortgages, car loans, and practice expenses put together.

Considering all these factors, it has become almost impossible for a new graduate to start a practice from scratch. I know of more than one young orthodontist who tried to open an office on her or his own and ended up going into receivership within the first year. This is nothing short of tragic. Under today's circumstances, almost every new graduate sees an associateship as a more desirable situation. At the same time, many senior

orthodontists have found that their potential for growth lies in satellite locations or acquisition of existing practices. Hiring associates is a good way to staff these multiple offices. Moreover, a trusted associate who has been with the senior orthodontist for several years becomes the most likely candidate to purchase the practice when the senior doctor chooses to retire.

Well-structured associateships offer numerous advantages to both new graduates and orthodontists nearing retirement. Still, we hear just as many horror stories about associateships ending badly. Right out of school, I experienced a couple of such situations with unhappy endings. One of the senior orthodontists wanted what I felt amounted to an indentured servant to work off-hours handling undesirable patients and retainer checks, all at near-minimum wage. With 10 years of successful solo general practice under my belt, I did not want to put up with that sort of nonsense for long, but the termination of these associateships was inconvenient and costly to everyone. Looking back, I realize that these issues could have been prevented by working out a clearly defined set of expectations and a well-structured business agreement on the front end. To succeed, any agreement has to be fair to both the senior and junior participants.

In this issue of JCO, Contributing Editor Bob Haeger and management consultant Charlene White present some of the best advice I have ever seen for establishing a solid associateship agreement—one that respects both the owner of the practice and the potential junior associate. This information, if applied in a thoughtful and equitable manner, may prevent considerable stress and expense for all parties. Your experience doesn't have to turn out as mine did years ago; in fact, Dr. Haeger and Ms. White's advice would be applicable in any time and place. I hope this publication will help make the establishment of successful and profitable associateships a new rite of spring.

RGK