



WHITE PAPER

When to Consider Succession Planning

You might feel a little uneasy about starting the discussion about selling your medical practice. Your practice is your baby, and the thought of letting go can be overwhelming. However, the truth is that failing to plan is a plan to fail when it comes to your practice exit strategy. Everyone thinks of their future, but they don't always take active steps in the present to prepare for what they want tomorrow. But the time will come when you must step away. You need to have a plan to leave your practice - regardless of your age, experience, or long-term career goals - out of respect to your employees, in an effort to prioritize patient care, and to ensure your family's well-being. Here are several reasons why you should start the succession planning conversation today.

You have increasing family obligations

Owners can run medical practices and have families but balancing the two can be difficult. If obligations, such as caring for an ill family member, or your children's educational or extracurricular commitments are taking time away from your practice, you could experience a negative shift in the dynamic of your practice. If you don't have a team in place that can run the practice without you for a few days, consider bringing in reinforcements.

Bringing in a physician partner or strategic partners, such as a management services organization or private equity firm, can help free up time for your family while still allowing you to actively contribute to your practice's growth. These types of partnerships don't require you to immediately exit from your practice and allow you to discuss future end goals with your new partner(s).

You have personal health issues

Personal health issues are pulling you away from the practice. When your personal health is in decline, it can be difficult to continue business as usual. As the practice owner, you don't need the undue stress caused by juggling an illness and the medical practice. Furthermore, your priorities might change if you find your health or the health of a loved one declining.

Your view on where your time needs to be spent might shift from a focus on growing your practice to strengthening your personal relationships. Spending time away from the practice may be best for you personally, but it will have a direct negative effect on your practice's revenue and daily operations. This makes the goal of achieving maximum value more challenging. Therefore, having a succession plan is essential.

You don't have a successor

You're a great leader, and you run your practice like a well-oiled machine. But what happens when you're gone? If you find your employed physicians aren't interested in taking over, or if you don't have any employed physicians, you need to know what you will do when it's time to leave your practice.

You're feeling burnt out

Running a practice takes a lot of tenacity. Burnout can creep in slowly and take hold in what feels like an instant. It's important to balance your work life and home life, and that takes commitment and constant fine tuning.

You need to set boundaries to make it effective. If you don't have a good handle on taking time for yourself, and you are just barely keeping things afloat, exiting partially (such as by bringing on a physician partner, engaging private equity, or joining a management services organization) might be a good option to help you reclaim time to yourself while still maintaining, and hopefully growing, your practice.

You aren't doing what you love

You had an ambitious view of starting your own practice. You intended to bring outstanding patient care to a community. You were excited and ready to go. Everything started strong and innovative ideas were flowing. Then, you hit a wall or find yourself spending your time on administrative tasks. If so, it's time to take a step back and reflect on what you are doing and what you would like to be doing, then see who can help pick up the slack.

You're having growing problems

Your practice has grown a great deal, but now you've reached a plateau. You aren't performing patient outreach like you used to. You don't have time to research your competitors. You aren't bringing new ideas to your practice because all your time is tied up in making sure the practice stays afloat and doesn't fall behind.

How can you continue to experience growth when you can barely keep up with your practice as it is? It might be time to consider bringing in a partner who can develop a synergistic platform to help take your practice to the next level.

We all know that anything can happen at any time. What will you do if something happens that requires you to step down from your practice sooner than anticipated? As a business owner who is responsible to your employees and patients, it's important that you consider succession planning before it becomes necessary.

Remember, there are ways to plan so that you can continue doing what your love. Succession planning doesn't necessarily mean leaving entirely, but it does mean being prepared for the future. Spend some time in thoughtful reflection about your goals, your reality, and any changes that you wish to make. Bring your ideas and concerns to a financial adviser or other trusted expert who can help you find the work-life balance you need, both now and in the future.

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