



WHITE PAPER

Considering a Physician Partner for your Practice?

Are you a solo physician practice contemplating bringing on a physician partner? Or perhaps you already have an employed physician and are looking into making that physician a partner? Maybe you have had a partner in the past and things didn't work out, but you are thinking about giving it another shot with someone else? You may even be looking at acquiring another practice and as part of that transaction making the other practice's physician a partner in your new entity. If any of these scenarios fit your circumstance, then keep reading on.

Evaluating a physician partnership

Bringing in a physician partner has many advantages: A partner may help your practice grow and become more successful; partners allow you to share the workload and to combine skills with another provider; and you can enrich your practice by having a solid teammate. However, business partners can become your greatest asset or worst liability. Deciding whether or not to share your practice with someone else may be one of the most important business decisions you ever make. Deciding who you go into business with can be just as important.

There is no way to guarantee a potential partnership will work. Consequently, weighing the advantages and disadvantages of having a physician partner, and carefully analyzing the reasons for choosing a partner can help ensure that you find the right person to entrust with your practice. Identify what you really need from a physician partner before you start looking for one. Once you have completed this essential first step, you can begin the process of choosing a partner.

For starters, a physician partner should bring something different to the table than you do. If you're creative, maybe you need a more detail-oriented partner. Or if you're shy, you might need a good "people person" to balance the equation. If they're similar to you, it might be more comfortable, but it may not be what you need. You need someone who complements your skills and personality.

Do your due diligence

Discuss your vision with your potential partner. Evaluating a potential partner can be like trading life stories to understand if your business principles, company goals, and personalities are compatible. Take as much time as you need to make a well-informed assessment of whether your business partner is actually a suitable one. You should share a sense of vision and values but not have overlapping skills.

Assess the potential partner's expectations on the time involved. Partners don't have to spend the same amount of time, but it is important that they are on the same page as to each other's expected time commitments. How many hours a day does your partner expect to put into the practice, and do his expectations meet yours? Your partner's commitment has to equal yours. A partnership — especially one between friends — can start off with fun and excitement, but within a short time, the slog of every day catches up with you. If they're not as committed to the business as you, they may lose their enthusiasm and may actually be damaging the brand every time you open your doors.

Try to evaluate potential partners without regard to emotional ties or friendship. Draw up a set of criteria that you're looking for and simply judge how well a potential partner lives up to it. Your potential partner should also have questions for you and should want to know about your character, reliability, and expectations.

Of course you will want to weigh their standing in the referring physician community. A business partner who is adept at cultivating relationships with your referring physicians adds value to the practice. Also consider how they interact with employees and patients.

Seven Reasons to Create Physician Partnerships

Physician partnerships are often a great idea providing you give thought to how you will structure one and why you wish to create a partnership. Sometimes physician partnerships aren't so successful — so it is crucial to choose your partner well. This is somebody who you're going to spend a lot of time with and who, like your spouse and your family, will probably see all sides of you, in full Technicolor glory! This person is going to get into your head and there will be arguments and misunderstandings.

Here are seven reasons for creating a partnership:

1. Your partner has strengths that you lack, and vice versa.

Great partners band together to compensate for each other's weaknesses, so that individually they can focus on using their strengths. Not only are you able to get more done, but tasks are done more efficiently because people have different skills and areas of expertise.

2. Partnerships promote greater creativity and can spur innovation.

It's hard to brainstorm alone. Most people's creative juices flow more freely if they can bounce ideas off others. And things get really interesting when you have partners who bring their own ideas and perspectives to the party — that's often when the biggest leaps of innovation occur. A physician partner means more ideas coming from a different background.

3. A partner's perspective can help you break free of your old way of doing things.

Sometimes it takes another physician's perspective to shake a successful practice out of complacency and see an old practice in a new way. A physician partner can help you narrow down the list by offering unique perspectives and opinions that you yourself may not have been able to think of. This is a good thing and can save you time and money later on.

4. Partners can help you take greater risks.

A good partner can challenge you to take the kinds of risk that will help your practice grow. Partners also can encourage each other to be more daring simply because each partner figures the

other will be there to pick up the pieces if the risk doesn't pan out. Great partners help you attempt big things and pull you out when things go wrong.

5. Partners also can serve as a restraint in keeping you from risking too much.

A good partner will tell you when an idea is misguided and keep you from taking on too much risk.

6. Working together for a common goal is a lot more fun than working alone.

The business side of practicing medicine is a lot more fun when you can share it with someone else. There's something exciting and exhilarating in facing challenges together, and if you're blessed with a partner with a sense of humor that meshes with yours, work becomes like play.

7. Try playing good cop/bad cop when it's just you.

Managing employees and a practice is exhausting. On the days when you just need a break, your partner is there to pick up the slack. A physician partner provides motivation and support. Not only can you ask each other questions and bounce ideas, but you can encourage one another and pick each other up in difficult times. Also, by having a partner, you will most likely work harder because there is pressure to perform and to not let the other person down.

Ask for help

Don't be afraid to ask for help. Speak with your physician colleagues or a transactional consultant with requisite experience in this area. And remember, even if you're not looking for leverage now, think about what a physician partner might do for you. A partner may shore up areas where you have a weakness and a partner may open up a whole host of opportunities for your practice. Rugged individualism has its limits.

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