When a person graduates from chiropractic college, the whole world looks bright and the future looks promising. However, one of the looming questions on the horizon after passing the boards is whether to associate or not. In this article, I would like to discuss the pros and cons of three options — associ-ship, starting out from scratch, or purchasing a practice. I have been in all three situations, so I would like to share my experiences and observations.

When a person starts out on his/her own, the primary concern is how to obtain raw material in the form of new patients and continue the process. For a medical doctor, it can simply be a matter of hanging out the shingle. However, for any chiropractor in a new community, significant thought and effort must be instituted. Just putting out a sign will not draw patients to your door. The typical rule of thumb is that the larger the community, the more difficult it will be to get your name out and the more effort will be required to obtain new patients. Of course, the upside is that after the practice is up and going, there is a larger pool of patients to attract.

Other needs to initially be considered are a business loan, rental space, office layout, equipment purchase versus lease, advertising, work hours, etc. Additionally, there are many other things that must be addressed on an ongoing basis, i.e., overhead, staff, marketing, insurance relations, third-party suits (including reports and expert witness testimony). Thus, a doctor must wear two hats — the clinical hat and the business hat. Although chiropractic schools do an excellent job teaching clinical skills, unfortunately most of the business aspects are not taught. This can lead to dire circumstances and a starvation period, which can seem like the wilderness experience that the Jews went through on their way to the Promised Land. Even if the doctor has excellent clinical skills but is lacking in business know-how, the practice can fail. A doctor can learn the business aspect primarily in one of two ways - either through associateship or by hiring a practice management firm.

The primary benefit of associateship is to see and learn what to do to have a successful practice by working side by side with the head doctor on a day-by-day basis. Benefits can include treating patients with chronic or permanent conditions, which the junior doctor might have book knowledge, but limited clinical experience.

Additionally, everyday business aspects become part of the new graduate’s understanding — learning how to schedule appointments; giving treatment recommendations; responding to a patient’s comments and questions; using ICD9 diagnostic codes; accepting managed care and preferred provider organizations; accepting assignment for Medicare or not; handling peculiarities of billing different types of insurance; fighting insurance adjustors for payment; determining permanent impairment versus disability; writing attorney reports; testifying in court; determining when and whom to hire for supportive staff, advertising, etc.
If the new graduate has decided to start a practice and hire a practice management firm, the business skills can be learned. However, there is a very steep learning curve that must be attained while trying to build the practice at the same time. It is not impossible, but is quite difficult and challenging.

The upside of having one’s own practice is that the financial rewards are greater. Yet owning one’s practice has numerous associated headaches, including long hours and stress, which goes well beyond the office walls and hours. If a person has previously owned a business before going to chiropractic college, the chances to succeed are better, as much of the business management knowledge and skills can be carried over into the chiropractic practice.

The third option is the purchase of an existing practice. There are four important factors in a practice purchase. The first is that the new doctor needs to have purchased capital, which is commonly not the case with those who have just graduated.

The second factor involves training and transition time. The head doctor must agree to stay for a period of time for training and transition. My recommendation for the time frame depends upon the prior business experience of the new doctor. The more experience that the new doctor has in owning a business, the less time that is needed. If that doctor has prior business experience, a three to six month transition is sufficient. If there is no prior business experience, I would recommend a period of one to two years.

The third factor is to maintain continuity in the transition. It is best during the practice transition to keep the same staff and stay in the same location. If the new doctor decides to change staff or location shortly after the transition, patients will consider going somewhere else. The fewer changes that existing patients experience in the transition, the greater the likelihood that they will stay. Try to make as little changes as possible for at least six months after practice acquisition.

The last factor involves non-competition. There should be a non-compete clause within the purchase agreement that would state that the head doctor would not open a new practice within a certain distance and within a specific time period. Typically, a non-compete clause would be for two to three years. The distance agreed upon is typically dictated by the size of the community -- the larger the city, the smaller the distance.

I would like to share my experience. When I graduated from chiropractic college, I decided to start out on my own. Like many new graduates, I had no previous business experience but I had excitement and zeal about chiropractic. Early on, I frequently went to Parker seminars. What I found was that each time I went, the practice would take off but would then slowly slide back downhill. In order for the practice to gain ground, I would need to go to another seminar. Initially, I went through this roller coaster experience for 

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It is easy to have unrealistic Christian expectations in life.