

End Game: Why You Need Long-term Goals and an Exit Plan



Establishing long-term goals helps you make smart hiring and firing decisions along the way.

BY KASEY D'AMATO, PA-C AND KATHERINE WILKENS, PA-C

>> It is common for business owners and entrepreneurs outside of medicine to evaluate their “exit plan” at the time of starting their business. In fact, many entrepreneurs work backwards and grow their business to make sure they get to their final desired outcome. However, in medicine, practice owners don’t always think about their exit when they first start out or when they make business decisions along the way. Physician practice owners are excited to practice their art, to treat and cure patients, to learn and advance their clinical skills, and to pick up some leadership and practice management skills along the way. Typically, an exit 30 years in the future is the last thing on their minds.

The importance of thinking about your exit and planning out the road map of your dermatology practice cannot be overstated. Of course, there will be obstacles and you will make changes along the way; however, visualizing and identifying what your long-term target destination will be is an important step to making sure it becomes a reality. There are multiple different options to “exit” a practice, and identifying which path you want to go down and which final outcome you desire will determine which course of action and business strategy you use along the way. When you can clearly identify your long-term exit plan or business destination then you can work backwards to build the right team that will help you get there. Some common exit plans are listed in the sidebar.

THINKING LONG-TERM

Why is it important to evaluate your long-term options? Because knowing where you want to be long-term allows you to make smart decisions when building your team now for the long journey ahead. A skilled dermatologist practice owner is a major asset to patient care, and an experienced CEO is a valu-

able asset to a business, but without the right team in place to help build the business, you can end up on a slippery slope that ends in nothing more than frustration and career burnout.

Have you thought about your business goals and plans? Are you planning to build a small solo practice that plateaus with revenue at a certain size? Are you planning to expand to a large group with many office locations and scale revenue and sell to a corporation? Is your ideal work environment to keep things simple with a solo practice involving you, one PA or NP, and a few key staff members? Or do you envision growing to many offices with multiple physicians, multiple PA/NPs, and a massive staff to help manage your enterprise? Are you thinking of expanding over state lines? Are you planning to offer partnership opportunities so that the providers that work for you can take ownership in making the business

Common Exit Plans for Dermatology Practices

- Sell your entire solo practice to a new physician business owner
- Sell your entire solo practice to a large corporate entity
- Sell your ownership shares in a practice to your physician or non-physician partners
- Sell your multilocation group to a corporate entity
- Create shares and hold on to shares in a multilocation group
- Pass down a solo practice to a younger generation of physicians or non-physician providers (legacy)
- Shut down and dissolve your practice

There are multiple different options to “exit” a practice; identifying which path you want to go down and which final outcome you desire will determine which course of action and business strategy you use along the way. Creating a timeline for yourself with benchmarks (i.e., start offering Mohs by year 3, start offering clinical studies by year 5, etc.) can be an effective tool to keep yourself on track to reach your long-term goals. With a long-term exit plan and have a rough “road map,” you are ready to start thinking about your team.

thebottomline

as successful as possible? Or do you want to keep complete control and maintain 100 percent ownership and structure all providers as employees? Do you want to offer aesthetic services and Mohs surgery to your patients? Or do you prefer to keep it simple and remain completely medical and refer your patients to others for aesthetics or Mohs? Asking yourself these kind of questions will help you visualize what you want long term and will allow you to build the right team to make your long term plan a reality. Creating a timeline for yourself with benchmarks (i.e., start offering Mohs by year 3, start offering clinical studies by year 5, etc.) can be an effective tool to keep yourself on track to reach your long term goals.

Once you know your long-term exit plan and have a rough “road map” and timeline, you are ready to start thinking about your team. Who are the medical providers and key staff that you will need surrounding and supporting you every day to help you accomplish your goals? When you get to this step be very careful not to fall into the “skills trap” that most HR managers and recruiting agencies fall into. The “skills trap” is an easy mistake to make; it is when the person interviewing for a position technically has the skills and experience for the job but isn’t otherwise a fit. The person interviewing for the job may have the skills on paper and may be a lovely person during the interview, but the question remains: do they have both the personality and the same long-term vision and drive to help you get to your exit destination?

For example, are you looking for physician partner or a physician employee? Will that person want to become a partner eventually or want to cut back to part time when they start a family and not be part of business decisions?

For a non-physician provider, you have to consider similar questions. Are you looking for a PA/NP with experience who can work independently seeing 20-35 patients per day from your “overflow” to help lighten your load, or are you looking for a go-getter who can help network and build up a brand

new following at a new satellite office? Are you looking for someone who has the leadership skills to help with management of staff, schedules, clinical research, and is a great multitasker? Or are you looking for a personality who keeps their head down, shows up on time, and gets the work done but isn’t interested in being part of practice decisions?

The personality types of different individuals who have essentially the same clinical skill sets are important to evaluate when building your team. Understanding not only the skill set, but the personality of who aligns with your long-term plans and goals is essential to minimize expensive turnover. The last thing you want is to invest time and money into training a PA/NP only for them to leave when they discover that you want to expand and they are not interested in traveling to a new satellite location. Some PA/NPs prefer to remain in a small “family style” practice, while others would be bored in that setting and would thrive with variety and leadership roles. Those personalities can be a great asset for practice owners who want to grow, expand, or want help with management.

The same concept applies to key staff. Are you looking for an office manager who can run your small, solo practice or are you looking for a manager who can handle running and helping you oversee several locations? Will your current office manager be overwhelmed or excited at the thought of expanding? Will your current office manager be bored if you stay small? What is his/her skill set, experience, personality, and own personal vision for their long-term career goals? It is best to discuss your long-term plans from the beginning so that you can gauge the interviewee’s reaction, excitement, or hesitation, around your vision.

FIND YOUR DIRECTION

There are many different directions to consider when building a dermatology practice, and the final outcome you desire will determine your strategy to build your team. Make sure you have a clear understanding of where you want to end up with the business and then evaluate not just the individual skill sets and tasks that need to be accomplished but the personality traits of the team members who are up for the challenge. Or evaluate the personalities of the team

Did You Know?

The “skills trap” is a common hiring mistake. Employers select a candidate who technically has the skills and experience for the job but isn’t otherwise a fit. The best candidate has the right personality and the same long-term vision and drive to help you get to your exit destination.

members who will be content with simplicity if you prefer keeping things small and simple. Approaching your team building strategy from the exit backwards will help you create a mutually beneficial team of individuals who have similar goals and visions and are loyal and committed to making your vision become a reality. Just like you have your own goals and vision of what you want for the future of your practice, every MD, DO, PA/NP, and office manager has a blueprint idea for his/her own individual career goals.

It is important to nurture a team that is as excited as you are about the journey ahead and always remember that a workplace team is like a marriage; take time to ensure you have aligned goals and are the best fit for one another. ■

Kasey D'Amato, PA-C is President and Katherine Wilkens, PA-C is Vice President of Certified Physician Assistant Consulting. They founded Certified Physician Assistant Consulting in 2009 and are the nation's leading experts on PA salary structures. Their combined expertise as clinicians, practice administrators, and serial entrepreneurs allows them the ability to have unique insight into the fundamentals of operating an efficient and successful medical practice. Ms. D'Amato and Ms. Wilkens have consulted with hundreds of Dermatology practices and Dermatology PAs over the past

decade and their fundamental mission is to provide creative solutions and win-win outcomes for common practice management conflicts or problems. certifiedpaconsulting.com

PA/NP PERSPECTIVE

In some states PAs and NPs have ownership stakes in practices and face the same hiring/firing decisions as physician owners. However, it is more common for PAs and NPs to be working as W2 employees or 1099 contractors, and it is equally important for PAs and NPs to consider their long-term career goals when interviewing for a new position. Do not jump on an opportunity that doesn't align with your long-term career goals. That could set you up for frustration or burn out. How do you describe your perfect role as a dermatology PA/NP? What skills do you want to learn? Do you prefer consistency and simplicity? Or do you prefer a fast pace and growth opportunities? How do you see your career developing over the next five years? Create your own vision for what excites you and evaluate if the opportunity presented is the best fit for your long-term career goals. If it is, you know you have found the right workplace "marriage" for the long-term.