

What You Need to Consider before Hiring an Associate for Your Dental Practice

Any time you make a hiring decision, it has the potential to have a major impact on your practice as a whole. Your new hire will be seeing patients and can help you boost your income, grow your practice, or even transition into [retirement](#) if that's what you want.

There are a lot of things to consider when hiring an associate, and this article will explore some of them so you can make an informed decision.

Experience First

The first thing to consider is the experience of the associate you hire. Depending on your reasons for hiring, you may want someone with years of experience under their belt. If you are planning on transitioning to retirement or reducing your workload, you may want to stick to seasoned professionals so you have someone who can step in and take over if needed. Alternatively, if your intention is to grow your practice by attracting new patients, you might choose to find someone young who can grow with your practice.

It's a good idea to give some thought to the qualities and experience you want before you start collecting resumes and referrals. Having a clear set of criteria will help you narrow down your choices.

Work Load

Another thing to consider is whether you have enough work to support an associate if you continue working full time. A good rule of thumb is that you need approximately 2,000 patients with hygiene booked four to six weeks in advance to support an associate's salary while they build their practice. Be realistic about your ability to support a new associate, and realize that you will probably see a dip in profits for the first few months.

Long-Term Goals

Another consideration is what your intention is for your practice. If you are seeking someone who will eventually buy your practice, allowing you to retire, then you need to make sure that the person you choose is:

1. Interested in owning their own practice one day
2. Financially stable and secure

The closer you are to retirement, the more important the financial security of the associate you hire becomes. It's important to be up-front about your wishes and to do whatever you need to do to ensure that the person you choose is in a good position to fulfill their obligations to you when the time comes.

If you are years away from retirement and are simply looking to grow your practice, then financial security at the moment may not be an issue. You might still want to ask about future plans to get an idea of potential associates' goals and ambitions, but you can do it in more of a big-picture kind of way.

Compatibility

Even if you are planning on staying with your practice for only a few years, it is very important to consider your compatibility with your new associate. You will be working together closely and it is important to consider personality, work habits, demeanor, and the associate's general attitude toward patients and treatment.

Every dentist has their own way of doing things. If you hire someone whose views of patient care are diametrically opposed to your own, it's a good way to end up dissatisfied. Take the time to have a serious discussion about what you believe, and get the opinions of potential associates.

You will also want to ensure that your new associate has the temperament and drive to build a profitable practice. It won't do you any good to bring someone on who won't make the effort to attract new patients.

Taxes and Benefits

One of the biggest considerations to keep in mind when you are hiring a dental associate is what their employment status will be. You have three basic options. You can hire the associate as an employee, bring them on as an independent contractor, or make them a buy-in partner. There are benefits and risks associated with each.

Hiring an Associate as an Employee

The first option is to hire your new associate as a full-time employee. Doing so will require you to provide benefits and pay federal (and possibly state and local) payroll taxes. Make sure you understand the financial responsibilities associated with hiring a full-time employee. If you already have employees, such as administrative staff and hygienists, you probably have a system in place to deal with payroll and taxes, which may make this option preferable to the alternative.

Hiring an Associate as an Independent Contractor

If you do not want to bring on a full-time employee, you may want to consider bringing on your new associate as an independent contractor. Such agreements typically require the associate to pay a fee to use your office space and resources, as well as a percentage of their profits. Specific contracts can vary greatly so you will have to determine what works best for you. Typically you would not be required to provide benefits to a contractor, and you would not have to worry about payroll taxes since you would provide them with a 1099 form instead of a W-2.

Making a Partnership Agreement

The final option is to bring on a new associate as a partner. This option might be best if you are hiring someone with an established practice with the intention of selling your practice to them in the (relatively) near future.

A typical contract might require the associate to put a sum of money into your practice as an investment while specifying bonuses and profit-sharing agreements. You might also include a time-frame for the buy-out of the business as well as specific terms for the buy-out.

Compensation and Employment Terms

The final thing you should consider is the specific terms of your new associate's employment. If you are hiring the associate as an employee, you will need to discuss salary, benefits, and any profit-sharing or bonus agreements. It is also a good idea to document your expectations in terms of job performance and responsibilities. The same is true of partnership agreements.

If you hire your associate as a contractor, you should have a written contract specifying the terms to which you have agreed. Make sure to spell out the associate's duties and financial obligations in full.

Conclusion

Hiring a new associate is a big decision. However, if you go about it in a thoughtful and deliberate way, you will be sure to choose someone who can help your practice thrive.