



WHITE PAPER

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.

Discuss your vision with your potential or current business 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.

An attorney can help you build important information into such an agreement, such as how the work will be divided, what will happen if more startup money is needed, and how decisions will be reached. Although partnerships need to be written up, remember that people make partnerships work, not legal documents. And remember, the best time to address potential problems with your partner is at the beginning of your venture, before emotions run high. You can't predict every potential problem, but a good healthcare attorney and consultant can help you work through some of the common problems and put a framework in place to help address unforeseen circumstances.

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