Family business or family feud?

By Sally McKenzie, CMC

Certainly, when it comes to the family, the ties that bind can also be the source of tension and anxiety. The maintenance of family harmony in the face of workplace challenges can be no small undertaking for any business, particularly dental practices. Although everyone may be related, clearly everyone is not alike. Families, as we know, are composed of varying personalities, opinions, styles, problems, and issues, all of which can be sources of problems. How will you deal with these challenges so that you can simply get along, let alone work together?

The family has a profound impact in shaping our decisions, our values, and our culture. It also has a major effect on the economy at large. In fact, family businesses encompass 80-90 percent of all businesses in North America. In the United States alone, family businesses account for 50 percent of U.S. gross domestic product and 78 percent of all new job creation according to the University of Southern Maine’s Institute for Family-Owned Business. Certainly, the family business is an economic powerhouse, but for those working in the trenches of the “blood-and-thunder” unit, it’s the emotional toll that packs the bigger punch.

Family businesses can be very complex, to say the least. And navigating through the potential minefields is no small challenge for many. After all, when it comes to running a business, there is a lot to gain — and a lot to lose. In dentistry, family-run practices are common with fathers and sons, husbands and wives, mothers and daughters, siblings in laws, aunts, uncles, etc. working under the same roof.

Some functions very effectively together and, typically, those that are the most successful are able to deal with business issues as partners, not as husband-wife, father-son, mother-daughter, etc. However, without clearly defined roles and detailed practice systems, emotion and family “issues” can quickly take over.

Family communication and trust are essential. Clearly defined management systems and accountability are absolutely critical. Maybe the practitioner’s spouse has been doing things “that way” since 1999, but asking prospective patients whether they have insurance immediately after a caller indicates that she or he might be having to spell out the practice ever having to spell them out. What typically makes these situations work, however, is that the family members all have the same philosophy of care and business. However, the success of such informal arrangements can be rare.

Conflict and control

While conflict may seem to be an obvious area for family strain, trying to avoid it can be far worse. Too often family members won’t question one another’s decisions or actions. They won’t address problems. They refuse to buck the status quo and push for necessary change because they are afraid to start an argument within the family. Fami- lies that attempt to dodge conflict open the door for much bigger problems because the issues only grow and fester. And if family members won’t confront family members, where does that leave the rest of the staff? Most likely searching for employment elsewhere.

Then there’s the issue of control. Countless dentists or their spouses are running dental offices but don’t understand what it takes to manage the business side of a prac- tice. They are incapable of reading and understanding practice reports and business statements. They don’t comprehend the impact of over- head or how something so seemingly innocuous as a little pay raise can cause salaries to spiral off the charts. Yet because they “own the practice” they make decisions based on what they think is right that affect their own long-term financial health as well as the fiscal health of the practice.

For the lucky ones, the family members settle into their roles and are able to understand and compensate for each other’s strengths and weaknesses. You may have one family member who is more tech- nology oriented and handles those aspects of the practice. Another may be the human resources “guru” and still another who is the recognized “financial expert.” If the individuals take responsibility for their areas of expertise and the rest of the family can let them do their jobs, these informal arrangements become formal without the practice ever having to spell

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**Structural guidelines**

Most successful business arrangements require a more formal organization. Dental practices are no different. There needs to be a clear designation of exactly who is responsible for what and what the family wants to get out of the practice. Do you want it to grow? Do you want to keep it where it is? What’s more important to you, giving up some control or growing or keeping control and staying where you are? What’s your vision of the practice? What if it’s different than your spouse’s or your brother’s or your dad’s? Whose vision gets priority? Where will the practice take to achieve that vision and those goals? Who will be responsible for which areas? How will the prac- tice measure its success? It’s those issues — where you want to take the practice — that require open and honest communication, but can cause significant friction. Yet all the players in the family practice must be on the same page. If not, it’s grounds for a family meeting, probably several.

Ultimately, there may be those on the “family” team that would rather strike out on their own. In some cases, that is the best alternative. Perhaps Chuck and Brian the son work well together in their general practice, but Dave the brother and periodontist, wants his own office, separate and away from dad and his brother. Although it may be hard to reject the family, doing so early on will be much easier for
everyone, and Dave will be far less likely to feel that he sacrificed his own vision and goals for the sake of “the family practice.”

In other cases, family members are in the wrong jobs and would be much more effective in another position. For example, Ellen the wife is working as the office manager but would make a much better financial coordinator. The dentist must have the courage to make the change and Ellen must have the courage to accept it, a tall order for both. And oftentimes, it’s necessary to bring in outside help to navigate the players through the process of developing job descriptions and identifying who will work best in which positions. The fact is that family members are simply too close to the issue — literally.

Things to consider

Certainly, there are those families that sincerely enjoy working together and are successful in doing so. But it’s not for everyone. Before you decide to partner with your spouse, sister, brother, mother, father, uncle, cousin or whomever, evaluate the decision carefully. We all have family members whose company we enjoy, but we wouldn’t necessarily want to spend 40 hours a week with them. We’ve all made excuses for that eccentric relative who made a poor financial or professional decision here or there, but we wouldn’t want to have to do it on a regular basis, no matter how good hearted he is or hard working she is.

Consider whether this arrangement is consistent with your personal practice philosophy of care and business management approach. Carefully evaluate whether you will have the opportunity to grow as a professional and fulfill your personal goals. Is this the career move you’ve dreamed of or dreaded? Will you be given the opportunity to use your strengths in making a contribution or pigeonholed into a particular role? If you believe you can contribute your expertise, abilities and know-how to the practice, your chances of success increase exponentially. They decrease significantly, however, if you make the move because of family pressure or a sense of entitlement.

Realistically consider if you can work with your family. Being honest with yourself from the beginning will potentially save you years of frustration and discontent. Remember, a “good son,” “good daughter,” or “supportive spouse” is far different from being an effective business partner. It will take courage to raise issues that may put you at odds with your family. And serious problems can arise if communication is weak or if the relationships in general tend to be strained. Be sure that you are emotionally and economically prepared to leave if frustrations become too great.

Certainly, for some, working with your spouse, mom, dad, brother, sister, etc. can feel more like a life sentence than the opportunity of a lifetime. However, for many who choose this road it can and does work if the systems are in place, the roles are clearly defined and communication is open. And if, most importantly, everyone understands that when it comes to the family practice, it’s business first and family second.


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Sally McKenzie, certified management consultant, is a nationally known lecturer and author. She is CEO of McKenzie Management, which provides highly successful and proven management services to dentistry, and has since 1980. McKenzie Management offers a full line of educational and management products, which are available on its Web site, www.mckenziemgmt.com. In addition, the company offers a vast array of Practice Enrichment Programs and team training. McKenzie is the editor of the e-Management newsletter and The Dentist’s Network newsletter sent complimentary to practices nationwide. To subscribe visit www.mckenziemgmt.com and www.thedentistsnetwork.net. McKenzie welcomes specific practice questions and can be reached toll free at (877) 777-6151 or at sallymck@mckenziemgmt.com.