

EPISODE 5.8 | DECEMBER 25, 2024

SURVIVING PRACTICE CHALLENGES: A JOURNEY THROUGH DENTISTRY, BANKRUPTCY, AND REINVENTION WITH DR. SUE KELLER (PART 2)

David Mandell:

Well, let's talk about... So, when does bankruptcy for the practice come on your radar? Because I wanted people to hear this because again, as a lawyer, that word... I helped clients with this for years, it doesn't scare but a lot of people, especially physicians and dentists who may not even heard of that or think of businesses or practice even potentially going there. We're hearing the reasons why a lot of confluence of factors, both your practice choice, or your location, timing, all these elements, staffing. I mean, it was sort of a perfect storm, but when does that get on your radar? And then as you say, okay, this maybe really is the best option, what kind of advisors did you need to put together to navigate that?

Sue Keller:

You got it. So David, I want you to understand that when you create your own practice, and maybe you have had this experience as well. I had a child in 2002, I had a child in 2004, and I had a child in 2007. It were strong and healthy smiles by Dr. Sue Keller. That was my [inaudible 00:01:08]. And so I'm putting everything into making that baby survive. And this baby is not, it's failing to thrive. And it had failed to thrive pretty much from the beginning. But I kept saying, if I work harder, if I try harder, I'll just make this work. There's a cost to that. And part of the cost was taking time away from my other two children and my family and my life and my balance and all that kind of stuff to try to make this practice work. If I just do it harder, I'm going to make it work. So we come to the point where I'm losing money. My hygienist of three years goes out on maternity leave, comes back and leaves, doesn't come back. I'm working with new staff and it's like a gambling addiction, this month is low, but next month is a little bit higher?

David Mandell:

Right, right, yeah, yeah.

Sue Keller:

Okay. So the next month is going to be higher. Oh, it was low again. But then the next month... It's the irregularity is all over there. And so there came a point in 2018, in October. I'm working with a new staff. I am having trouble making payroll. I'm shifting money from here to there. We're out in the credit cards, we're maxed out. We're do everything you can to make things happen. And I just ran the numbers for 10 months of the year, and when I ran the numbers for 10 months of the year and evened it out, I was losing \$7,000 per month. So in all this time I was working with coaches, I was working with expert consultants. We're paying an accounting firm \$500 per month because they were a dentistry specific smart. All they were telling me was spend less, make more. That is not useful. They weren't actually even looking at my numbers. They actually didn't even care, but I was paying them the big bucks so they could do that. And I was working with a business coach at the time, and when I got to the point, I think I might be going bankrupt, and I couldn't even say those words.

David Mandell:

Right.

Sue Keller:

And she's like, "Well, what does that mean? What are you afraid of if you go bankrupt?" And I actually said to her, I said out loud, "I'm afraid that I'm going to die." The death of that child, that third child, I'm-

David Mandell:

A lot of emotions, a lot of emotions tied there.

Sue Keller:

I can't let this child die. If that child dies, I die. This practice was me. My name's on the door. I built it. I was great in great care patients, but the practice wasn't taking care of me.

And so once I verbalized that and I realized I'm not going to die and then I'm losing \$7,000 a month. If I close the practice right now, I will be making money. I won't be losing money. That was the moment where it all comes down and it's like, okay. But

just before that happened, I had been working with the coach, probably the August, and she's like, "What would happen if you just lean into finding out what is bankruptcy?" I didn't even know what bankruptcy was. So I went and interviewed three bankruptcy lawyers. I got great information from the first one, but I didn't think he would be a good match. He was a little sworny. The second guy was a little head up in the clouds kind of thing. The third person I really liked, and by that time I'd already run the numbers and I knew that I had a losing... Then it was just like, how fast can I close this?

David Mandell:

As you went into, you said, "Hey, this is the right strategy for me and it's not me, it's the practice." But anyway, continue.

Sue Keller:

So once I realized, well, I had to separate me from the practice and I had to acknowledge that I was losing \$7,000 per month. I had to also acknowledge that I had done the best I could and there was a lot of trying circumstances, but I was not helping anybody and I was destroying myself trying to put everything into this practice.

So I met with this particular lawyer, lawyer I worked with on bankruptcy probably, I want to say it was November 20th, and by December 20th, I told the staff we're closing the practice for good on Thursday. I didn't tell them until the very end. And I had a great relationship with my landlord. He let me stay in the building for the next couple of months. I had a couple staff members who come in. I had to finish delivering cases. I had crowns that were out there. I needed to complete my care for my patients. By February, I had interviewed a practice down the road. I took a job with them part-time. I made more money working two and a half days a week at somebody else's practice with no responsibilities, no call, no nothing. I made more money in that year that I worked there before the pandemic than I had ever made in private practice.

David Mandell:

Yes, that just tells you-

Sue Keller:

I had no stress. I had more time to myself. In the meantime, I finished up the care with my patients. I sold off the equipment to a dentist who came in and took over the spot. My landlord was happy, the bank was as happy as it could be. They thanked me for at least, I recovered \$50,000 out of \$700,000. And the bankruptcy takes years. It took probably three years to work through. It was complicated because my dad had died. He had given me a loan, it was involved with an estate. There's all this kind of stuff, but eventually it works its way out. It's a process. It takes time. We don't own our house. So that wasn't an issue. There's things that you can protect during a bankruptcy. So we ended up doing just fine with that, and I was able to make more money, just like I said, working as an associate with none of the risks. And then the pandemic came and dentistry was just shut down for three months. And at that point I got to jump off the gerbil wheel. And I got to realize that the idea of thinking about going back into dentistry was making me feel sick to my stomach.

David Mandell:

So we'll pause here for a second because the next thing I want to talk about is what you did and coaching and things like that. But let's just talk. I just want to comment on the bankruptcy for a minute because those of you who know me, within the OJM framework, I advise clients on asset protection, which is related to bankruptcy. It's basically what would happen if I had personal liability from a malpractice case, from a car accident? And a lot of the rules of what is protected from a lawsuit, from a potential claim come out of bankruptcy. Listeners, those watching this probably know that we've been writing books since 1998, well one of the books that I did in the bookstore, not for physicians, I talk about a family member who filed for bankruptcy and they came out of the process with 95% of their assets.

And why did they file for bankruptcy? It was personal guarantees on a business that turned south in Massachusetts, I don't want to pick on Massachusetts, but it was basically a real estate deal where they delivered the condos on time under budget, but the timing was terrible. It was around the 1992 recession and that was it. And by the time they did the planning and filed for bankruptcy, the bank's people who were in charge of the loan had changed. They certainly showed up and they wanted to get as much as they could, but this was 100 different deals that had gone south because of the recession. It wasn't one... And so what was a lot of stress, I think not so

much for them just knowing who they were, but their spouse, at the end of the day was not painful for them. I mean, the process might've been painful, but the final result was actually surprisingly easy.

That doesn't mean that bankruptcy is easy, that doesn't mean that I want people to take that away, but it does mean that if you're involved in a practice or a business that's going south or some kind of entity where you have personal guarantees, you owe it to yourself to at least look at all options. And even if you don't go down that road, part of negotiation, it's not what I do in debtor/creditor is to say, this is a path I might go down. So let's renegotiate. Obviously wasn't the business itself, the practice of dentistry wasn't working for you, so it probably didn't go... But for other people where they say, listen, if I make a couple of changes or I do something differently or whatever the economy changes, my next real estate deal will do well, you might be able to use that as a way out or as a negotiation ploy and then put yourself in a better place financially. So I just wanted to make that comment.

Sue Keller:

Again, there's a reason bankruptcy laws exist. The three most common reason for bankruptcy is business failure, divorce or actual medical, people who have cancer and have medical treatments and that kind of stuff. It's there to protect you and it's there-

David Mandell:

Give you a fresh start.

Sue Keller:

... to give people a chance for a fresh start. That's exactly it. In the end, it all felt good. I still had to deal with the fact that my child died. I still had to deal with the fact that I didn't know who I was in the context of am I a dentist, am I still a dentist? What does that all mean? There's all that going through that.

David Mandell (10:18):

Yeah, yeah, that's right. That's right. So let's focus on that. Okay, now what? Okay, we got through this, Covid. The idea of going back into dentistry, not making me feel good. So you mentioned that you worked with a coach that helped you see a little bit

of options. Was that something that piqued your interest in maybe I could do that or tell me what was going on in your mind as you made this transition?

Sue Keller:

So I got to volunteer with the Medical Reserve Corps and give vaccines, and that was volunteer, but it became-

David Mandell:

It was Covid vaccines during the height of the pandemic.

Sue Keller:

Yes. And through that I learned how much I loved working on a team of public health professionals, paramedics, firefighters, physicians. Everybody was giving vaccines there. We were on a team. I loved that. And that was something I never had in my practice where I was the owner and then I had the employees and I had the patients. So I realized that that whole model was something I was more interested. That's where I wanted to end up, doing something that was on a team. I was able to turn that into a paid position so I ended up working vaccines for three years and getting paid to do it. I still do it, but now it's only in the fall. So when I realized...

It was interesting, I was playing in a musical improv troupe, and the guy who's our piano player for it had just started coaching school. Someone that I knew had gone through it. I actually was the coach E for one of their coaches in training the previous year. And two of my best friends from high school are actually life coaches. Now, the interesting thing is I thought that I couldn't be a life coach because I felt like a failure from my practice, so what am I going to be coaching? And then my friends were very empathetic and therapist type people. I'm thinking is that who I am? I don't think I can do that.

So the guy who was our musical director was offering a pre-coaching class. I said, what the heck? I have some time. I'll get some skills. This is going to be good. So I took it and then I thought about, I said, that was good. I had the skills. January comes around, January this year and vaccinating is no longer going to be a full-time job. In fact, there's nothing left at that point as far as thing, so I'm basically unemployed

again and I've been working in public health doing things for Zoom, but it's not stuff that had paid for anything. And I was looking at the coaching curriculum because I keep getting the emails from it, and I thought about, you know what? I could do this. It's an evening commitment. I like to learn new things. That's another common thing. I love to learn new things. Let me try it.

So I got on this coaching cohort by Zoom. We had six people in the cohort. I loved it. I just loved it right away because it let me help people, which is ultimately... What was the big thing I was trying to do in dentistry. I mean, I really went in with the idea of helping people, helping them change their lives. It was frustrating when insurance companies got involved. It was frustration when patients blame me for their problems when it was fact not taking responsibility, et cetera, et cetera. I'm the dentist, they're pushing me away. There's all that kind of stuff where makes it really hard to be a dentist.

But with the coaching, I don't need to know somebody's business to be able to help them because my job as a coach is to take them from a present that they're in now, that they feel stuck in, help them imagine what's their big dream and then help them take the small steps to get there and get unstuck so they're moving forwards. That's a contrast from therapy, where in therapy you're taking a present that's not working for you, you're going to go backwards to the past to try to heal the events that keep getting you to the same kind of present.

Therapy and coaching work together. But coaching is future-based. It's about what is it have you haven't accomplished yet? Look, you're 56, David.

David Mandell:

That's right.

David Mandell (14:13):

55, 56. Have you done everything you want to do? Did the pandemic give you a reset? Is your life out of balance? Are you spending all your time on work and not enough time on other things? We have this life scan wheel I like to work with clients and it's like career, job, money, health, friends and family, love, partner, spiritual and

personal growth, fun and recreation and physical environment, your work, your home. When people score themselves on a 1 out of 10 on these, it becomes evident that there's some areas that are getting a lot of their attention, some areas that aren't getting their attention, and they come up to a sense, what is that I want moving forward? At that point, life is not unlimited anymore.

David Mandell:

Yeah. I've used a coach for a while and I think a lot of the entrepreneurs that I know have and attorneys as well, and I think a couple of things that I think are really valuable. One is what you were just talking about, which is just being thoughtful about your priorities rather than they just happen. Meaning how did you spend your time this week, this month, this year? It's like, oh, I didn't really, and you say, yeah, I like to do X, spend time with my family, or I like to do Y, get outside and be in nature. And then you look at it and you say, I didn't really do that at all, or I didn't do that nearly as much in balance in the ratio that I would want to because life gets in the way and if you're not going from, "Hey, this is the way I'd like to think about it," and then implementing some kind of system or check to make sure you're doing it, then you just drift into, oh, this month was really busy with X, how you were with your practice, and I didn't get to it this month. Versus it's like what you were saying on the financial thing, pay yourself first, be disciplined about that.

Spend the time in nature first. Make sure you do that. And having some kind of person that keeps you responsible too. It keeps you, I'm just missing the word. You can think of the word.

Sue Keller:

Accountability.

David Mandell:

Accountability, that's exactly the word I was looking for. So it keeps you accountable to what you're going to do.

Sue Keller:

The lessons of the pandemic, do you remember what we wanted during the pandemic? First of all, health, if you don't have your health, you don't get to do the

other things. Number two, we wanted to be able to spend time with friends and family. If you are working your ass off so that you can take fancy vacations, so that you can spend the time that you don't spend with your family on a daily, weekly basis or your friends and try to make up for it in some expensive vacation, guess what? You learn during the pandemic that you can go hiking, you can go kayaking, there's something you can do that doesn't cost a lot of money, that gives you more quality time with your friends and family. So why are you giving up your life?

Why are you giving up your life to your work when what you really want to be doing is creating connections or creating experiences out in the world, to have a chance to go on a vacation that you really enjoy? Not because it's showy, but because you're actually doing something. I saved up my vaccinating money and I learned how to sail. I spent eight days living on a ship. I've always wanted to do it. I grew up on Lake Erie and never had a chance to do that. It was one of the most fun and memorable life experiences. I've jumped out of a airplane twice. It's a life-changing experience to be on the threshold of a plane with an open door and to step out. I can talk to folks about that, it's a great experience. But the idea, if you are saying yes to working long hours, what are you saying no to?

David Mandell:

Yeah, that's right. I think the other... I just had a thought that you were... Oh, so for me, and this will come up in another episode, I'm going to have somebody on who does child-free planning. We don't have kids, Sheila and I. Now I've been very close with my parents and my brother and his family because we're all in the same neighborhood or South Florida down here, even though we're New Englanders. But one of the things I've always stressed, and I find a lot of my friends who are type A very successful people, they're missing from their life a lot is friendships. I spend time with my kids and all that. And that's ingrained into almost being a good person means you got to be a good parent. But friends, a lot of my friends who are very successful, they're like, it was so great to see you and spend time with you. I never do this. Or I really let my friendships slide. I have deal friends, people from work that I consider them friends, but they're not the kind of people I'm sharing my doubts with or my real concerns who know me from before I was successful, let's say.

Sue Keller:

You don't have someone to share your vulnerabilities with.

David Mandell (19:32):

Yeah, and I find that a lot of people, and I imagine the docs who are listening to this, that something that gets sacrificed early on and when they dedicate some time to building that up, it's a really rewarding, there's a good ROI on it if you're going to be a financial about it.

Sue Keller:

People are amazing. People have had amazing life experiences and to have the time to chat with people about what they've been, and then that's how we learn. We learn when we're sharing our vulnerabilities. And also it takes away the burden, when you have someone you can share with. People have said, "Oh, you're brave. You're talking about your bankruptcy." It's like it's a bad word or something. "Hey, I went bankrupt. It wasn't because I was a bad dentist. I can run a practice, I can do dentistry. It's really hard to do both of them at the same time. And that was another thing. I think the single doctor practice is basically finished. I would never recommend anybody go into a single doctor practice in part because of the technology costs and having to keep up on the software and hardware and all this kind of stuff. But you got to work together. It's a team sport, but that's not what we are taught in school. I think sometimes physicians have it a little bit better because they're used to working through residencies and often our time working together, I mean, they're working for the hospital, they're losing some of the control, but at the same time, control is an illusion.

David Mandell:

Yeah, so I mean this is one of the reasons you've seen a lot of merge and acquisition in dentistry and in medicine is that a lot of docs are saying, I'd just rather give up all the headaches of a lot of the things you're saying and just treat patients and maybe get paid a little bit less and maybe get some back end on it and just go and see patients and do what I'm trying to do and let someone else deal with the IT and the HR and some of these other things.

As we wrap here, let's just step back a little bit and for let's just say docs in small practices, solo or a couple of partners, and there's a lot I think that are watching and listening that are in that, maybe a few are solo, but still, what are some of the big picture lessons that you would tell them to make sure they avoid some of the problems that you ran into?

Sue Keller:

I would say don't depend on other people, and yet you have to have other people who are doing some of the work for you. So it's a trust but verify. I actually never had a full on embezzlement. I had people who didn't submit insurance claims on time or ever, so I didn't get paid, but one in six or one in four doctors is going to experience embezzlement. So number one, as far as the practice is concerned, you've got to look at your numbers every day. You need to have a checklist that goes through what you're going on, but you also have to step back and look at it on a monthly basis. If you think your accountant is telling you what you need to know, you're wrong. So make sure you run the reports at the end of the month and look at things, put them in a spreadsheet and really have a way to track things over time.

If the trend, it goes up and down, look at the quarter, look at the year, look at the up to this thing. If there's a problem, the first thing you can expect is there's could be embezzlement going on, you're doing the work, but money's going out some other way. So be alert. Know how to prevent that. Work with some professionals about how to create systems so that doesn't happen. Meanwhile, I mean, there comes a point where if you realize that you're spending all your time, it's like are you living your best life? You went into a career so that you could live your best life, I think most people did, and to give back and to take care of people. But when you start realizing you're giving away your life and it's not coming back to you and supporting you in the way that you need supported or the imbalance is too great. In other words, you don't have time to spend with friends and family, you don't have time. You're spending all your time working. It's time to take a pause. It's time to take a reset.

Work with a coach. Working with patients is hard. Patients dump all their stuff on you. I think everyone should have a therapist and a coach. That's just like a given. Mental health is so important and people are dumping on you. You need to know how to

process that now. So how to think skills that you don't learn in school. Learn them on the fly. I would just say that you need to really know what your numbers are, follow the numbers. When they're trending the wrong way, get different opinions. Go out. I talked to three lawyers before the bankruptcy. Find out what your options are. If there's anything that you are resisting, if anything that seems scary to you, that is a green flag to lean harder into it. Why am I afraid of that? Why am I afraid of bankruptcy? I think I'm going to die. That's ridiculous. Okay, let me go find out about bankruptcy. Oh, this could be an option for me. You know what? No, there's different types of bankruptcy and maybe I don't have to do this. Don't be afraid to talk about stuff. If you talk about stuff with your colleagues, you might be surprised that you sharing a vulnerability allows someone else to share a vulnerability. You go out to the meetings, everyone's doing well, it's the best month ever. They're all on the golf course. All these all kind of, that's bull.

You know what, not everyone's having the best month ever. They're not actually telling you truth. We have a group of women dentists that get together and it's much more of a direct, we help each other out and this and that. I don't know if you have customers who have different ethnicities. Sometimes it's just good to get together with folks who are like you, whether it's women or ethnicities, because you have a different experience on the world and it's good to be able to share that where you feel like you're not competing with somebody, but you feel like they're a colleague, that they're with you. I think the more you talk about stuff, the more you open yourself up to new possibilities. So when you hide stuff and keep secrets, not good for you, and when you're able to be open and share, you actually find out that the universe sends you the things that you need to work your way through.

David Mandell:

Yes. Obviously, a couple of things I want to point out as we wrap here. One is know your numbers and we've heard a bunch of people on this podcast over the last five seasons of that. We've had a good accounting firm, Aprio, go listen to that one. There's one with Jessica Nunn who's an outsourced CFO for small practices, and that's her whole focus, is making sure people are on top of what they're doing. But I want to just emphasize that last point you mentioned, you're talking about a mastermind group where you have docs of similar specialty, let's say, but they're not competing. Maybe they're in different geographic areas and they're sharing ideas.

We do that in the financial world a lot. My business partner Jason's in a number of them, and you do get really honest sharing because there's no competition. So we're based X. We have niche with physicians. The other people are in other parts of the country and they're, could be working mostly with entrepreneurs or bankers or whatever their niche is, and so we can say, "Hey, this is what we ran into these problems. How do you guys solve it?" Or, "This is something that's worked for us and here's an idea that you might like."

Sue Keller:

You are never alone. You are never alone. Somebody else has gone through this, something like this. You are not alone. One of the great things about Facebook, there's a Facebook group called Mommy Dentists in Business. If that had existed while I was in practice, it would've been a huge difference for me because what I discovered in it after the fact, oh, that wasn't just happening to me in my practice because I'm a bad dentist and I'm a terrible boss. Oh, my employees actually never did that to me. It was like you get to see it's out there. The human thing is out there. It's all out there, and you need a place where you can say, "This is the question I have. Can someone give me their input on it?" Huge, huge. That would be critical. If you are organizing groups like that for your customers and getting them involved in that, that is fantastic. Safe places where you can talk about what's actually happening.

David Mandell:

And that's one of the reasons we have the podcast. In fact, it's a place where people can come and say, "Hey, listen. I want to hear what's going on and hear from some folks who are in my position." So Sue, I really appreciate you being on. I think it was really valuable.

Sue Keller:

Thank you so much for giving the chance to tell my story. I hope it helps some other folks feel more confident either in staying in their profession or making a change.

David Mandell:

Right, that's right.

Sue Keller:

Because there's life on the other side. I'm still a dentist. I still do stuff in public health and help out on a national and state level with organizations, but it doesn't run my life now. I run my life now and I'm literally living my best life now after dentistry.

David Mandell:

Yeah, well, I started the first 12 years of my career as an attorney, and I still have my law practice corporation. I have some old clients, but it's a very small piece of what I do.

So Sue, again, thanks for being on, and to all the folks watching, listening, if you like this episode and what we're doing, please give us a good review. Give us the five star rating, subscribe and follow us on all the podcast apps and platforms. Tell your colleagues about us, and in another two weeks we'll have another episode. Thanks for tuning in.