



Using a good financial advisor is good business

If a dentist wants to be successful, working with a good financial advisor is an absolute requirement. Success needs to be both qualitative and quantitative. A good financial planner can help a dentist get what he needs, not just what he wants. All facets of finance and financial planning—not only for the practice, but personal, as well—should be in the realm of the financial advisor. The major areas the planner should cover are:

- Practice organization and management
- Practice transition: associates, partnerships and purchases/sales
- Retirement planning
- Estate planning
- Home, auto, vacation home and all major investments
- Insurance evaluation: maximize benefit and coverage for the lowest cost and cash flow
- Encouragement-permission-provocation
- Saying yes or no

A good financial counselor needs to be process oriented rather than product oriented. The product oriented include people who sell the dentist equipment and supplies. Most CPAs—who produce monthly accounting statements and annual tax returns—as well as insurance agents and investment brokers, are product oriented. Some lawyers and CPAs can provide both a product and a service. However, their expertise is not based entirely on the doctor's financial needs. The CPA and lawyer are often called after the fact. A good financial advisor typically gets a much broader view of the whole picture.

Finding the right financial planner for the specific dentist is of paramount importance. Some financial advisors are qualified, sincere, objective advisers. Some are not. Some services have real value, some are self-serving and a few can actually be harmful to your financial health.

One needs to first look at the planning package and then at the advisor. For example, if there is no package (the planner works from a scratch pad), forget that planner. A good package often (but not always) indicates a conscientious planner and creates a framework to help one make a better financial choices. However, be careful. It is quite possible to have a good package exploited by an unscrupulous or incompetent planner. Any financial advisor seriously interested in doing a professional job will use a comprehensive diagnostic pack-

age. This must be a diagnostic package, not a sales package. One usually can tell the difference by using four basic criteria:

- It should be fee oriented, not commission oriented.
- It should be straightforward, understandable and conservative.
- It should be logical, flexible and make good sense.
- It should analyze and explain your needs, and suggest the integration of format and structure, but avoid a sales orientation.

The following is a list of considerations to keep in mind when shopping for a planner:

- Be particularly alert for any attempt to shortcut the diagnostic step and get you to commit to a course of action before you get the complete package.
- A professional planner will help you understand your own situation and lead you to your own conclusions. If you feel that you are being pushed, have trouble making sense out of the plan, or that the planner spends all his time selling himself, you are probably dealing with a product salesman using financial planning as a marketing device.
- Basic financial planning is a client-oriented, low-overhead operation. Plush offices and surroundings, large administrative staffs and slick marketing brochures are impressive but probably unnecessary.
- A clear statement of what must be done to complete your plan should be provided.
- Ask for three or four long-term relationship references, and ask for a reference from a relationship which did not work out well. It is of great value to know how a potential advisor handles failure, not to mention how he or she handles the request.

Once you have determined that a comprehensive, formal diagnostic package is being used solely for your interest and not the planner's, and you are comfortable with the planner, then you are ready to proceed. If you have the slightest trepidation, a new planner and package are required.

A good financial advisor is a dream catcher. The right advisor can help the dentist catch his or her dreams and make them a reality. ■

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