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THE VALUE OF EXPERTS, HYPER GROWTH AND MORE FROM DENTIST, COSMETIC SURGEON, ENTREPRENEUR DR. ERIK NUVEEN

David Mandell:

Hello, this is David Mandell, host of the program. I'm excited about today's guest. We have a very interesting doctor, physician, and dentist. Incredible training, and has done some cool things business-wise, that I think many of you are going to appreciate hearing about, and are probably thinking about, in your own world. So let me tell you about Dr. Erik Nuveen, and then, we'll bring him on. After receiving a bachelor degree in biology, from Lafayette College, Dr. Erik Nuveen went on to earn a doctorate in dentistry, from the University of Connecticut, School of Dental Medicine. He then completed a one-year residency at UCLA, woo-hoo, alum here, Medical Center, with a focus on surgery and anesthesia. He spent the next five years honing his skills in maxillofacial surgery, and training under leaders in the field of facial reconstruction. Dr. Nuveen then went on to earn his medical degree at Case Western Reserve University, School of Medicine, in Cleveland. He then did a number of residents, and fellowships, and I'll link to the full bio, in the show notes, and you can see them all.

He's board-certified by the American Board of Cosmetic Surgery, by the American Board of Facial Cosmetic Surgery, and the American Board of Oral and Maxillofacial Surgery. He is the president and founder of Cosmetic Surgery Affiliates, which we're going to discuss today, in some depth, and also, serves as associate professor, at the Department of Oral and Maxillofacial Surgery, at The University of Oklahoma. So with that, Erik, welcome to the program.

Erik Nuveen:

Thank you. Thank you very much for having me. I appreciate any interest. It's always a compliment. Thank you.

David Mandell:

Well, the way this happened is I was at a conference, a couple of weeks ago, maybe a month ago, now, and Erik and I, were on the same panel, and I heard him speak, and I said, "We got



to have him on." And he was gracious enough to come on, so it worked out. So let's get into it. I ask the same question, of every doc who comes on, because I want people to understand where they're coming from, literally. So tell us where you grew up, what made you become a physician, and with your varied training, pretty unique, how did you settle on the areas that you practice today?

Erik Nuveen:

I don't know that it's a unique story, perhaps it is. My father is an orthodontist, and he straightened teeth. And I was about six, and I went to his office, and he had a big wall of all these typically adolescents, that had snaggle-teeth before, and smiled after. And I thought, "Well, that's pretty cool." But I asked my dad, "What about their nose, and what about their chin, and what about these other things?" And he said, "Well, I don't do that. I have to send that out to somebody else." And that's really where it all started, so I was about six, at that point.

David Mandell:

It's in the blood.

Erik Nuveen:

Yeah. Right, and I have a twin brother, and my twin brother is actually an orthodontist. My nephew is an orthodontist, my cousin is an endodontist, another dentist. We got dentists all over the place. So I graduated, finished up at Lafayette College, and then went to the University of Connecticut, dental school, and what was interesting about that school, is we had a total of 40 students enrolled, and 22 graduated in our class, and it was a hundred percent medical school, the first two years. So I had the opportunity to get exposure to both sides, both dental and medical. And I actually took another year, doing just research, after the first two years, in craniofacial surgery, because I was so uncertain what I wanted to do with my life. So I had the good fortune of training with two guys, that had both medical and dental degrees, and they really were my mentors, that established my pathway forward. So I committed to getting both degrees, by whatever means possible, and was able to finish up dental school, then UCLA. It was, actually, two years at UCLA.

David Mandell:

Okay.

Erik Nuveen:



And then, I had the opportunity to transfer to Case Western, because there was an opening there, and there was one particular faculty member, that I really wanted to work with, who was very famous. So I got there, and finished my medical degree there, and then, two years of general surgery, total. And then, I did craniofacial surgery in Toronto, Sick Children's Hospital, and then, I went to Salt Lake City, and did a fellowship in cosmetic surgery, full body. So that's the abbreviated version of nine years of school.

David Mandell:

Yeah, and maybe, it was all to one-up all your family members, because you could say, "Listen, you guys did half of what I've done, because I took what you got, and then I put more in the pot," in terms of

Erik Nuveen:

My mom always says either, I was really committed, or very indecisive.

David Mandell:

Right. So that's great. Now, this is obviously, a finance and business entrepreneurial podcast. So at that point, as you're going through all these years of varied training, did you have an interest in finance? Did you have exposure to it? Again, we've had docs who said, "Listen, I didn't even think about it, until I got out, and started making money," and we have others who said, "No. I actually read The Wall Street Journal, every once in a while, because I was just interested in it." So where were you on that spectrum?

Erik Nuveen:

Oh, I can't imagine another human, being more entrepreneurially motivated, and mentored, by my father. My father being an orthodontist, his commitment to being the most productive human being, on the planet, was ever present. So dinner, every dinner was mandatory, that we sat around the table. We couldn't go to another room, or do any... We had to be there, and Dad would say the same questions, every single night. He would say, "What did you accomplish today?" And we'd have to tell him about our grades, what we did in school, what was special about recess, anything, and then, he would say, "Well, what did you learn today?" And I would say certain things, and he would say, "Cite your references."

And my father was a professor at University of Pennsylvania, and my mom went to Columbia, so a lot of northeastern people, and they were very, very academic, and that was the foundation for, I would say, capitalism, and capitalistic views of how things evolved, from basic knowledge, to the application of skill, to honing that skill, and becoming more efficient at that



skill. And I think the inevitable consequence of that, is tying into that finance, and the monetary returns on effort.

David Mandell:

And I've talked to other advisors in my field, and in related fields, who do work with a lot of physicians, and dentists, and I don't think I'm going to surprise anybody about what I'm going to say, but dentists, and I would put orthodontists in there, etcetera. They generally have owned their own practice, and have continued to, or small groups. So they're much more, and I think, even the training, I don't know this for sure, but there is a little more business, and entrepreneurial elements, because they're assuming, in dental school, and you can maybe confirm this, or not, that you're going to be your own boss or, at least, the vast majority are going to own your own practice, where medicine, we know that is phased out, over time.

We're champions of docentrepreneurs here, that we'd like people to own their own practice. My brother's still a solo cardiologist, and there aren't that many of those any anymore, but the individual shop model, is much more so, in the dental regime, and it sounds like your father was living that, and imparting that to you guys.

Erik Nuveen:

Yeah. My father had 14, 15 assistants. He had a partner. He was very progressive, for his time. He's 84 years old. He's been retired for quite some time. So that atmosphere of how you strive to do more, to serve more people, and the financial consequences, and quality of life, and opportunity that comes from it, were displayed every single day, and were paramount, honestly, in my home. And so, you couldn't escape the entrepreneurial vision, and commentary, every single day. So I'm forever blessed by my father, and my mother, and it was just very interesting, because we would talk, honestly, about dollars and cents. And one, was to always be respectful to our dad. If he paid for dinner, we always said thank you. It starts there. Being grateful for the opportunities that we've been presented, either through hard work, or to whoever we think is a higher giver, of our faith. And ultimately, it comes down to whether you want to be mediocre, or you want to strive for something different, and I think there's two sides to that coin.

I see people that are, I will call complacent, and sometimes they're really happy, and I'd say, sometimes, I have insomnia, and I'll go to Walmart, at three in the morning, and I'm always amazed when this couple walks in, and the heavy overweight woman, perhaps, in a typical image, and a skinny spaghetti shirt wearing gentleman. They're holding hands, in blissful love, at three in the morning, and they're walking through Walmart, and what the hell am I doing? I'm working my ass off. I'm non-complacent. I'm worried about making another \$50,000 in a



month, and I just wonder where I went right, or went wrong, and I'm not quite sure, I'll let you know the answer to that.

David Mandell:

Well, a lot of type A people are listening to this, and we try to, I think, and maybe, we'll get there, is everyone has got to strike that balance, and I think that there's also a time. This is my personal opinion, on some of this, but it's time and place, and I've listened to some other folks that say, there's a time to really be pressing, when you're younger, to get that training, to get that expertise, and then, there's a time to look around, and say, "You know, we don't have that many years left. So I still want to be productive, and do great, but maybe, that some of that do great, is outside the office." But we don't want to get to the end, before we're there, so let's bring this back. So I want to talk, obviously, we're going to talk about your practice, and the transaction, but give us a picture of your practice, before any of that changed. Where were you? Just take us forward, whatever it was, 15 years in practice. What did the practice look like? Give us a snapshot.

Erik Nuveen:

Yeah. Well, it was about 2008, and I took on my first associate, and we changed the name of our practice, to depersonalize it. If I were to pick the first step, in creating a less individually focused, egocentric practice, that was the first step. Was taking it off my shoulders, realizing the entity is much of greater strength, than myself, and once you break from that vision of independence, and realize you're much greater with partners, greater with collegial support, and all those things that come from strength of numbers, and it's exponential, it's not just additive. You start to realize this is a different game, and that's when it started. So changing the name of the practice, from just my name, to Cosmetic Surgery Affiliates, was 2007, 2008.

Bringing first associate, and then, beginning to train fellows. So we've trained 15 fellows, and that means a fellow comes to us, at our accredited fellowship, through the American Academy of Cosmetic Surgery, for a 52-week period, to learn the expertise of cosmetic surgery. And I love to do research, and so, now I had a research partner, who was a fellow, and an associate, so I could do more research, and it just built, and built, and built. But the initial phase was 2017.

The next step was, probably, I would say the real advancement, was my exposure to my brother-in-law, and my brother-in-law's named Ricky Kaplan, a very well-known national entrepreneur, and he has hundreds of companies, that he owns. He has just turned 40, sold his first company for hundreds of millions of dollars, at age 36, and has had a lifetime, as a finance expert. And his degree was originally in accounting, but always had the entrepreneurial spirit,



for the bigger picture. And I spent a lot of time with my brother-in-law, and tried to wrap my head around, how that applies to my industry.

Erik Nuveen:

The practice has continued to grow. I mean, we grew 17, 25, 35%, year, over year. And it had just gotten so big, and I can only provide so much service, so we started to bring in more physicians, and we're up to four physicians now, and staff of 39, in this one location. And we realized, ultimately, the building, the capacity of the demographic here, in Oklahoma City, only holds so many. So we expanded to a second location, in Jacksonville Beach, Florida, and that's done the same thing. We just have grown, and grown, and grown, and outgrown our space, and now we're going into a third space, and it's all been great.

But ultimately, it left me with a problem, and that is what to do with it all. It has a certain value in equity, and it has a value in cash flow, and I didn't really understand how I could realize it, given the fact, that it had gotten so big. So I thought, "Well, maybe I could break up the practice into fractions." And I have airplanes, and I've had airplanes for many years, and so fractional ownership of airplanes, is a common concept to me. And so I thought, "Well, maybe I can fractionate the practice, and then sell off 20% shares, or 10% shares, and bring in a bunch of people."

But then, we ran up against the difficulty of personalities, and people, who have ownership, want a stated responsibility, or directional control, within the practice, and that was very difficult, very frustrating. So that wasn't going to work. So ultimately, I started cold calling private equity companies, and I did this, basically, because I spoke to a couple investment bankers, through friends of friends, and met them at dinner parties, and they said, "Well, I think you got a great idea here." And that was to consolidate plastic, and cosmetic surgery, on a cash fee, for service basis, and proposed it, that was five years ago. So I started calling private equity groups, getting any kind of contact I could, talking to friends of friends, and sure enough, soon people started to listening-

David Mandell:

Started talking back.

Erik Nuveen:

Yeah. I would get to a certain point, in the conversation, of conference calls, it'd start with the lowest level guy in the group, and it was obvious, he was right out of Wharton, and he just wanted to get his name on a list. And you would ask the typical checklist questions, and you'd hope you'd get to the next level, which was maybe the principal. And sure enough, a few of



the people called me back, and wanted to talk more, about the concept. It was all about the concept, at this point, because at that point, the platforms were generally insurance based, and governmentally tied. And their thought was, this provided security, and consistency of revenue, regardless of recession, ups and downs through economic downturns, or even seasonal variation, which is very well known, within our industry, and elective surgery. And I, basically, just said, "Here, look at my financials for 20 years. I'll give you 20 years of returns, and you show me where it's faltered, in 20 years." All the economic ups and downs, all the housing crises, right? World Trade Center bombings, everything. I mean, show me one... I mean, COVID, every single one, I had every bit of proof.

David Mandell:

Sure, you've been through it.

Erik Nuveen:

Show that their thoughts, and their fears, because as I'm sure you understand, the investment bankers, and the hierarchy, that is established within the industry, is one that it guards tremendously against risk. It's all about risk-

David Mandell:

Risk management, yeah.

Erik Nuveen:

... management, entirely risk management. So they want to find the next projected three to five acts, in three to five years, and they're going to find it, and they're going to find every fault, every error, every problem, that could possibly occur, and it was a fantastic experience for me. Especially during COVID, where I had so much time on my hands, outside of surgery, to communicate, and to learn from these people, and that's what I was really doing, in retrospect. I didn't realize it, at the time, but it was like going to school again. It was really fun, and exciting, and I took pages of notes in notebooks, but eventually, it led me to an understanding that I wasn't successfully pedaling myself, in my practice, because what was of much greater strength, was exactly the concept I told you, were greater strength in numbers.

So I contacted four of really my closest colleagues, who I respect and trust, for over 20 years, each one of them. And I said, "I got an idea, and you could shoot me down, if you don't want to be part of it, but I think we could be really powerful as a national platform." And so, that took probably four months of... I think I have 27 PowerPoints, that I created for my friends. And I went through every single aspect, that I had learned in the notes, and I pitched to them, and I



said, "I really want you on board, as a team member, and as a founder, because if you don't get on board, as first, you're going to be second tier, and it's going to be not as financially rewarding to you." So this is my great repayment to my friends, to be quite honest, and that's-

David Mandell:

So yeah, let me jump in, with a couple questions.

Erik Nuveen:

Yup.

David Mandell:

One is, as you started to do this, you mentioned this a bit, but I want to tease it out a little bit, is, at the same time, so it looks like you're thinking about this, within the last five years, kind of pre-COVID, through COVID. Going back, obviously, at OJM Group, we have physicians, with all kinds of specialties, and we saw the roll-up starting with PE, really in pain management, first, maybe 12 years ago, one of our practices, clients, became a platform, and one of the docs became the CEO of a... And then, it became ophthalmology, and dermatology. It started to get closer to you guys, and orthopedics, and now, it's everywhere, because private equity's looking for returns, and health care is a huge part of the economy-

Erik Nuveen:

Diversity. Mm-hmm.

David Mandell:

And what I really liked about it is, 15 years ago, and more, I'd have to really convince docs, that there was value in their practice.

Erik Nuveen:

Yup.

David Mandell:

You, probably, have mentors of yours, who just said, "Well, I just got to the end, if I couldn't find someone to take it from me, I just gave the keys to someone, and shut it up." And I used to say, "God, that just doesn't make any sense," coming from an MBA background, where you realize that there's value here. You may have to train a physician, to do that work, but it's all the



E-Myth, not just you, it's the business. You can work on the business, and it isn't yourself. So was that helpful to you, to give you confidence? Was that helpful to your colleagues, to say, "Listen, the derms have been doing it, and the orthopedics guys are doing it?" Or was it just having to get over the fee for service, in cash, and saying all those other deals, where there's any insurance involved, and derm might be half-and-half, they might be cosmetic, with a lot of medical, it doesn't really apply, and I'm still nervous about it, because it's not apples to apples. So how did that play in, for you, at all?

Erik Nuveen:

Yeah, that's great. As a background, the progression of private equity, through medical fields, again, was largely insurance based, largely. They all wanted to see the column that said accounts receivable, and I don't even have them.

David Mandell:

Right.

Erik Nuveen:

And so, I actually came up with a term, just in conversation with one of the groups, and I said, "I call my column, deferred compensation," because I get prepaid. And they said, "Really? Well, how much?" I said, "Well, I keep about a million dollars, prepaid." And they're like, "What? You get paid in advance, for every single thing you do?" And I saw the light bulb go off.

David Mandell:

Right.

Erik Nuveen:

Now, what was happening at the same time, was the realization that oral surgery, doing dental implants, it's a massive cash based industry, massive.

David Mandell:

Sure. Okay.

Erik Nuveen:

And that was the explosion, that really took, from my cold calling, to I was getting calls.



David Mandell:

I see.

Erik Nuveen:

And that's where it really turned, because they realized this is just the furthest extension of health care, and what I've been pedaling, and telling them, is going to inevitably occur, is going to occur, and then, now it is occurring, and I'm part of it. So there you have it.

David Mandell:

Okay. Yeah. Well, can you continue this, and we'll come back, because I want to come back to a question, on personal investments, personal finance, that kind of thing, but let's continue with the business. So now, you've had the conversations with the private equity firms. You've had the conversations, in your 27 PowerPoints, with your colleagues, and gotten people on board. What did you learn, when you finally chose one firm, to work with, and about that process, and working with a lawyer, and letter of intent, and the actual mechanics of a roll-up? What did you learn? What advice would you give to folks listening here, who may be just behind you, in that time frame, and they may be getting there?

Erik Nuveen:

Oh, man. Yeah, I've been thinking about the question that you wrote, because there's two sides of it. One of them is I, literally, thank God that I've had this wonderful life, and this wonderful opportunity. Sometimes, I pinch myself. I mean, it's better than a dream. It's so cool, and I've met some incredibly brilliant people, such as yourself, and it's just an honor to be in the mix. It just truly is. I just want to say that.

David Mandell:

That's great.

Erik Nuveen:

But in the process of working with these extremely focused people, it was very clear, that the bridge between finance and medicine, is quite a chasm. And the people with experience, in health care, are so different, and so better in understanding the concepts. For example, if I went to a venture capital group, that's working, exclusively, in internet related services, I'm going to get nothing from that. It's just crickets. You got to have people that have a basic understanding, and commitment, to health care, as a sub-sector of private equity. It's just not



worth the time, and they're very busy, doing what they do, and there's enough for them, to do what they subspecialize in.

So the first thing, is finding a group that has experience, and success, within the realm of cosmetic, plastic, dental, dental subspecialty. Health care, for me, was absolutely mandatory. I met with debt managers. I met with investment bankers, brokers, hundreds of people, and I kept coming back to experience. I needed people that were going to improve my teams, and my platform's probability, of a successful exit, and I think I just said that, perfectly. That's all that really mattered, is improving the probability of a successful exit.

David Mandell:

So it was more than just the money? It was more than just the deal?

Erik Nuveen:

Oh, yeah.

David Mandell:

And the idea of the multiple. It was like, "What can they actually bring to the table to make this successful?" You don't want to get the worst deal, but you also realize, that they're just not money, they're also a partner. Is that a lesson there, as well, that I'm getting?

Erik Nuveen:

Absolutely, a hundred percent mandatory. I completely disavowed, anything related to money, even though I'm, I would say, capitalistically focused.

David Mandell:

Yeah, and it's a money deal. It's a sale, and all that, right?

Erik Nuveen:

Right. But the fact is the success does not come from that financial compensation. The success is the greater vision, of the company growing to a mid-level, or a national practice of excellence, with great policies, electronic medical records, accountability. It's got to be done right, and you've got to have good, good experienced people. What I didn't realize, and I should realize it, is within medicine, the same thing goes, I'm sure it exists within your profession. There are people that are not at the highest echelon of service, and we've got to avoid those people, and let them go out of business, as quickly as possible, because if we get



into a situation with those people, we are going to be brought down, or encumbered, from our ultimate success. And that lesson was very, very important, to find people, that are consummate professionals, and pros.

David Mandell:

Yeah.

Erik Nuveen:

There are too many jokers, too many people that are, oh sure, they'll give you all kinds of things, but in the fine print, there's a significant debt load, or warrants, that are completely unacceptable. Just so many protections for them, and none for the physician. So you've got to become pretty savvy, in reading contracts, and understanding the language.

David Mandell:

And I've had a couple of M&A attorneys on, and how did you find yours, and was that a key person, that you end up relying on? Is that the kind of person that you said, they've got to have the experience, they've got to have been through some deals, in cosmetics, and really understand what's under the hood there?

Erik Nuveen:

The first thing, is if anybody gets into any element of what we're talking about today, without understanding what the wallet it takes to do this, I mean, this is massive. Millions and millions of dollars of legal fees, investment banker fees, accounting fees, audit fees. It's mind-boggling. But if you don't surround yourself by excellence, there will be errors, and those errors will be extremely costly, to far greater issues, than the debt, I've just mentioned.

David Mandell:

Yes.

Erik Nuveen:

So we chose McDermott, Emery & Williams.

David Mandell:

Okay. Yeah. McDermott, Will & Emery. Yeah, big firm. Yep. Know them.



Erik Nuveen:

Yes.

David Mandell:

And a key person in there. I mean, one of the things about big firms, in my opinion, as a lawyer, is big firms are great, but you're really dealing with one person, typically, or that person, and their associate. You got to have that relationship, with the person, who's going to answer your question, and the three name partners are long gone. And so, it's really the key person is who you're dealing with, and I assume you felt good about the people you chose.

Erik Nuveen:

Yeah. The one particular gentleman we have is young, and certainly, his wisdom, far exceeds his age. His name's Justin Aiello, and he happens to be one of the best friends, of my brother-in-law. And the trust was established through that relationship, but beyond that, the skill of communicating extremely complex issues, to a non-finance oriented individual, is very critical. Different physicians have different levels of comfort, and their willingness to read, and study about weaknesses, which is often finance, is variable. So we have a few people, in the group, that are less financially focused, and the terms go right over their head, and you've got to help them then, get up to speed. You can't just let them go by. They have to be on board, and they have to understand, in order to make a successful vote.

David Mandell:

Yeah. No, that's a really key point is that, and I want to stress that, because that is the case. Listen, I see that in my own family of physicians, and not mention my clients, but not everybody has the interest. Not everybody has the father, who said, "How productive were you today?" So they went to medicine for completely different reasons, and maybe, because they didn't want to do finance, like me in medicine. My ninth grade biology class, I was not interested in that. I did not want to do it. I did not want to be the third physician, in line, in my family. So there's a reason that I have to find physicians, and including my brother and father, who I can trust, to tell me, and explain it to me, and I'll listen, but I'm never going to understand, to the degree they do. So when you have partners like that, you don't want them, because if they don't know, and then they sign off on it, and then they learn later, they're going to be bitter, or they're going-

Erik Nuveen:

That's right.



David Mandell:

... to be upset, in some ways. So you got to get an educated buy-in. They may not have to know everything, but they got to know the key, and important points, of what this means, in terms of what you're going to get now, what's going to roll over into the deal, how your income's going to be impacted along the way. Control issues, in terms of making decisions, once it's not just owned by four docs, anymore. I imagine those are the things that you need to get them, at least, on a level understanding of.

Erik Nuveen:

Yeah, I call it, it's psychotherapy of physicians. It's human relations, and public relations, and physician relations. So very challenging stuff, each and every day, and some of my greatest friends, are the strongest, most hardheaded arguers, I've ever met, but I love them for it, and you have to embrace that type of passion, and strength. And now, I've learned some good lessons, similarly. So you're right, you really have to be open. You have to be willing to say, "I have a weakness, and I don't understand this. Explain it to me." And as physicians, that's sometimes tough. You don't want to show your weakness. Not quite sure why that is, but that is the case.

David Mandell:

Yeah. No, that's a good point too, is, on our podcast, one that will have been out by the time we talked, but that was their takeaway, which was don't be afraid to ask for the consult. I think that was one of their key things, meaning that, in this area, and he was talking more about banking for young docs, is don't be afraid to say, "I don't really understand how this works." Because if you don't, then you truly won't, because no one's going to explain it to you. So a couple more questions, before we get to that. So one more on the business, and then I want to turn to personal finance, and then, we'll wrap.

Erik Nuveen:

Sure.

David Mandell:

So now that you're operating in the platform, now, that you're going, and you're looking potentially, for other practices, what have you learned, in terms of that? Meaning now, that you've gone through the deal, now you're operating, and growing, so what are the challenges now, that you've got another partner in hand? You've got a lot more to offer, but there's more of a growth expectation, than back when you were just doing your surgeries, and just saying,



"Hey, you're doing well, but I don't have anybody to report to," in terms of that. So how's that changed for you?

Erik Nuveen:

Well, I think the first thing, is the realization that, ultimately, the growth is not about my organic practice growth. It's about scale. When you multiply a practice times 15, it's going to be worth a hell of a lot more money. And it's cash flow, it's production, it's centralized services, consolidation of costs, and supply procurement, all of it, just the power of it goes up, and up, and up. So I say that, very importantly, upfront, because that's what motivates. That's what people have to understand. Where they go from a private practice, consideration all on their shoulders, to there is much greater strength in numbers, and financial exit plan, ultimately. So you got to find people willing to communicate, willing to open their minds, to this vision. That's a big hurdle to crest, in part, because the people we are trying to pursue, are more successful in their market share, than most, and that's the group that we are looking for.

So trying to give them a value proposition, in excess of their daily, or monthly, or annual cash flow, is critical, to the equation. Some of them, the appeal comes from more of a global improvement, in quality of care.

David Mandell:

Okay.

Erik Nuveen:

And that's a wonderful play, for physicians, because I think the true altruism of most physicians, underlies all of our entrepreneurial spirits, is we don't want to do something, if it's doing harm to a patient, and we're certainly not going to compromise our ethics. And so, in trying to vet the acquisitions, or potential acquisitions, it's a willingness, it's a visionary, a person that can break through a dominant practice, within their region, and something that separates them, within their region, that makes them dominant. It could be a personality, it could be a technique, it could be a marketing success. There are many different avenues, to dominance, within a market, and that's, actually, a very thrilling part of the whole process, is having access to 39 practices, their data, and their PNLs, and going through them, and I'm telling you, I walk away from some of these, scouring through pages, and pages of financials, and I learn something every time.

David Mandell:

For sure.



Erik Nuveen:

I mean, it's helped my practice, tremendously, so-

David Mandell:

It's like a Harvard Business School case study, of every practice in your space. You're looking to learn something about... You're going to learn what to do, and what not to do, in many cases, or how to improve. So that makes a lot of sense, and I think it's funny, is the theme of this, but you've been talking about communication a lot, and communication to your fellow docs, "Do we want to do this deal?" to your colleagues, who say, "Hey, do you want to join this deal?" and then, to these new docs, that you might recruit? And that is not something, that most physicians have been trained on. They didn't take communications in college. They were taking biology, and organic chemistry, and all that kind of stuff. And to turn, either, I'm not saying a weakness, but just that muscle hasn't been used, and flex that, on a daily basis, to make the business run. That is a challenge, and you'll see that in your own practice, and the ones you merge in.

Erik Nuveen:

Yeah. Yeah. It is so important. Trust is... If I could pick one word, you can't be a partner with someone, you don't trust. It ultimately fails. So we go in, with honesty, and if there's a person that we've evaluated, that doesn't meet what we feel is a ideal candidate, we just tell them, "At this time, it's not an ideal situation for us, and we appreciate your time, and thanks very much.

David Mandell:

The last question, I want to ask you, is the same thing I asked most docs, start in the beginning, and maybe, you've already gotten there, and you can go back to it, but if you're talking to a fellow physician, maybe someone who's younger, or hasn't gone through the transactions that you have, or some of the growth, et cetera, what's one piece of advice you distill? Obviously, you got a lot of different things, that we've talked about, but is there one thing that stands out, or one of many, but just one you want to mention, that you think applies?

Erik Nuveen:



I've read thousands of books. I think that's an important foundation, is read, read, read. Get ahold of any information, you possibly can. I have your book. It's funny, I was talking to one of my staff this morning-

David Mandell:

You can plug that.

Erik Nuveen:

... and had no idea about this, and she turns to me, and goes, "David Mandell? The guy who wrote that book?" And I'm like, "No way. You have his book?"

David Mandell:

That's great.

Erik Nuveen:

I wanted to tell you that story. That was pretty cute. So good for you, for doing that, and I know the effort it takes to publish that type of stuff.

David Mandell:

Yeah.

Erik Nuveen:

So I would say that if I were to pick, really, the most important things, in this process, that I've learned, is the amount of energy, and time, that it takes, exceeds any possible expectation. I have spent tens of thousands, of hours, on this project.

David Mandell:

Yeah.

Erik Nuveen:

I'm not exaggerating. It's mind-boggling, but I love it. It's a passion, it's exciting. I feel younger today, than I did five years ago, because my mind is more stimulated, than ever. I've got more friends, in different fields, in different cities, and it's just wonderful, wonderful. So for me, at 55 years of age, this is the greatest thing, I've done in my life, and I'm so excited I've chosen to do it, despite the time. I want to give a little acknowledgement, that no one does anything alone.



I've had the support of family. My unbelievable wife, who has put up with all of this crap, and not always, with happiness, but I told her, "Just stick with me, honey. Stick with me. We're going to get there, and there's light at the end of the tunnel." And I don't promise much, but I did promise her, and I said, "If this doesn't go, the way it goes, I am sorry, but I'm going to promise you this."

So it has all gone the way I have wanted, and hoped, and built out, in the plan, but it takes a tremendous amount of commitment. Very hard to do, in an active surgical practice, without tremendous support of others. There's no way I could have done it, without the support of, probably, 20 people. So you got to have the right people around you, surround yourself by experts. Don't find half-assed people. Don't spend a minute, with people, that are less than the best, in their field, because it's a waste of your time. You got to go to excellence, and you're going to pay for it, and that's okay. Developing strategic partners, is an integral part of this process, and cannot be bypassed.

David Mandell:

Yeah. I like all of it. I'm going to highlight three things, you said there. One's real simple, but I believe it completely, which is leaders are readers, because you got to keep learning. If you think about all the learning you did, in training, and I mean, you obviously see in me, and all that, but even now you're taking out a business transaction, and whether it's Good to Great, or the E-Myth, or there's a thousand books, that have really influenced me, in terms, of being an entrepreneur, et cetera. And then having a team around you, of course, and this is something that other folks have stressed, and I fully believe it, and I live it with our own business, which is surround yourself by experts. We've paid a lot of consultants over the years.

I'm always looking for experts, who can make me better, and the world's a very specialized place, and I don't have the time, or effort, or need, to be an expert, in something other than when I'm expert in. I just got to find someone who can guide me, and that's leverage. I mean, that's the kind of leverage. So we're together on that. So Erik, thank you so much for being on. This is really valuable.

Erik Nuveen:

You're welcome.

David Mandell:

I know our listeners will really love it. We're the same age, both 55, and I really like what you are doing, and maybe, we'll have you back on, in another year, or two, and we can check in on how the practice has grown, and what the next iteration is.



Erik Nuveen:

Well, I would be honored. It's been a pleasure to spend time with you, and I would just like to invite, if ever, the audience, or anyone, that would like to contact me, I always give free access, either through my website, or email, and so, you're welcome to provide that.

David Mandell:

We'll put that in the show notes. We'll put, not only Erik's bio, but his contact info, and so anybody can get to it, who wants to. So Erik, thanks so much for being on.

Erik Nuveen:

Thanks, Dave. I look forward to hearing from you, or speaking to you soon.

David Mandell:

So to all our listeners, thanks for being on. As you know, we'll have another episode, in another two weeks. And if you're a physician, who's listening, and who has an interesting story to tell, in terms of your practice, in terms of your entrepreneurial experience, in terms of any area of finance, reach out, shoot me an email. We're always looking for new guests, later this season, and even, into next season, we're starting to schedule folks. So thanks, again. Tell your colleagues, and look for another episode, in another two weeks.