

The Dental Transition

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Don't Wait Until Your Breaking Point to Sell Your Practice

Dentists often ask when they should sell their practice. This, of course, varies for everyone, but, if you are able, the best time to sell is when you are financially ready and still physically capable of enjoying working and managing your practice.

Why would you sell your practice when you are enjoying it you ask? So that you don't regret it. Each year we see dentists who wait to list their practice for sale until the very moment they are ready to retire, and then the next few months are horrible. The sale of your practice is not instantaneous, even for the best practices. Once you make the decision to sell, it can take a few months before you complete the sale—at least. You may need to make some minor updates to your office to make it more attractive (painting, cleaning, etc.). You need to interview and hire a reputable broker like Practice Impact to handle the sale for you. There needs to be a valuation of the practice so you can determine a Fair Market Value listing price. You'll also need to meet with your CPA to ensure you can indeed afford to sell and retire—all of this before the practice is shown to prospective buyers! Once you have a buyer, an

offer, and signed Letter of Intent, you still have to allow the buyer time to get through the financing process with banks which takes a few weeks. Then, your attorney and the buyer's attorney need to draft, review, and agree upon the purchase agreements. The buyer will also have to negotiate a lease with your landlord or, if they are purchasing the real estate, they have to appraise the property, complete surveys, and include an additional purchase agreement for the building. Needless to say, this is not a quick process.

During this time, you have to keep going to work, keep up your production and collections, keep a staff in place and not let on to your staff and patients that you are ready to be DONE. If you wait until you are emotionally or physically finished being a practice owner, this is painful and a nearly impossible task. Imagine having to go to work, day after day, dealing with staff call offs, patients cancelling at the last minute, your back hurting, and spending all day wondering if today is the day that you will find a buyer for the practice. Doesn't sound like fun, does it? And as we mentioned before, the sale process is not quick, so this could last for several months. During this time, if you begin

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PRACTICE SALES + APPRAISALS + TRANSITION CONSULTING + ASSOCIATE PLACEMENT

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to resent your practice, it will reflect negatively on your office and will make the sale process even longer. By the time you do finally get to your Closing Day, it won't be a joyous occasion and you won't be able to celebrate your retirement or give the new doctor the welcome he or she deserves. You will just be ready to sign the papers and run!

Now, imagine an alternative scenario... You make the decision to sell your practice while you are still happy at work. You complete all the necessary pre-listing tasks and you can now take your time and not feel overwhelmed during the process. You are able to go to work each day feeling like you have prepared yourself for the eventual sale and know that you have the luxury of time to find the

right buyer. AND, when you do sell the practice, you may even have the desire to keep working part-time, either for the buyer of your practice or at another office. If you aren't rushed to sell immediately, many of the pressures of selling your practice will be alleviated.

Obviously not everyone has the luxury to sell this way. The urge to retire or the physical need to retire may come before you are able to plan for it. But for those who are able to prepare for a sale, the process is much better. If you want to prepare for the eventual sale of your practice, call Practice Impact today to discuss your options.

How to Sell Your Practice without Brokerage Fees

Practice owners are well-known entrepreneurs. You are used to doing things yourself and doing it "your way." When the time comes to sell your practice, you may naturally believe locating a practice buyer is easy, right? Why do I need to pay a broker to sell my practice when I can do it?

What if we told you that you can find a buyer for your practice without the help of a broker? But...is that really what you want?

We always use the analogy that finding a buyer is like getting on first base; you are still a long way from home base or in this case, a closing. "Finding a buyer" is the key term here, and getting that deal to a closing in an efficient and seamless manner while ensuring that you got the best price possible is the difficult part.

While the title of this article may be deceiving, the truth really is that a reputable and experienced broker in your market should be able to bring a competitive buyer pool to the table that will pay for their commission and still hopefully net you more money than doing it alone.

Think of it this way, to get to a closing you must get two doctors, two spouses, two attorneys, two CPAs, and one bank to all say "yes". This is much easier said than done.

Below are three reasons why you should consider using a professional when you decide to sell your practice.

Getting Top Dollar

You may be able to find a handful of buyers on your own, but know that you are limiting your buyer pool, which can leave you wondering:

1. Did you get top dollar for your practice?
2. Did you find someone who is the best fit for your patients, staff, and practice as a whole?
3. Were you able to accomplish your ideal transition plan? E.g., being able to work-back part time post sale to transition into retirement.

The monetary aspect of a sale/transaction is an important one but generally it is not the only consideration. From the monetary aspect, we are oftentimes bringing 10+ buyers a quality practice opportunity, which creates a hyper-competitive environment and will oftentimes net you more money even after having to pay a commission. When making a major life-changing decision like selling your practice, you do not want to lose sleep thinking, "did I get a fair price?" or "was this person the best fit?"

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Qualified Candidates

Another pitfall that 'for sale by owner' doctors fall into is dealing with unqualified and/or unrealistic buyers. You may find a few buyers on your own, but can they get the funds to follow through and close? Are they "tire kickers" trying to get a steal on your practice? We vet all our buyers before a seller ever speaks one word to a prospective buyer because we understand that time is money, and we don't want to deal with people who are not serious about making a transaction or who are just difficult to work with. Currently, most major metropolitan areas have the luxury of having a substantial buyer pool so we're less likely to deal with obstinate buyers. By using a broker, we take that workload of pre-qualifying buyers off your shoulders so you are not wasting your time.

The Value of a Middleman

Being able to communicate and work through conflict is something that sounds simple but oftentimes is the sole cause of what 'kills' a deal. People are not good at communicating and working through conflict and, to back my argument, the divorce rate in America is now ~40%. One often overlooked duty of a broker is their ability to help mediate conflicts and provide an outsider's opinion based on our reputation and experience. The opposing party is much more likely to tell the broker, a third party, what their true concerns are, whereas a buyer may squash a deal for something that was so minor but had an easy solution—if only they communicated. The other party may never know what the 'true' reason for backing out of the deal as they were scared to have a direct conversation. I would tell you that 7 out of 10 concerns brought forth by a party can be

remedied without even approaching the opposing party because there was a simple solution or answer the broker was able to provide.

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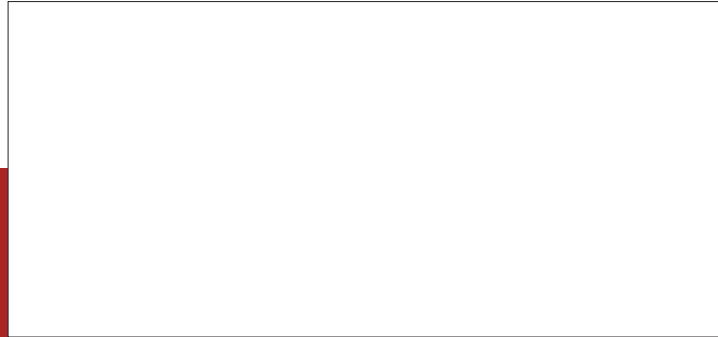
Building off that, we are trying to bridge the gap between two very different generations of Millennials and Baby Boomers. For example, we can have a practice that operates at 50% overhead and has net earnings of \$500K+ but if it does not have newer chairs, CBCT, modern decor, etc. then a buyer may need some convincing. Generally, the younger generation buyers want new and modern as they come from a technology age and want something familiar. It is our job to explain to them that if you are making \$500k per year then, over time, you can replace the equipment and decor. While the solution was simple, most buyers take everything at face value and will buy a practice that is new and modern but makes no money, before buying something that makes sense from a business and numbers standpoint.

Why Practice Impact?

Practice Impact prides ourselves on our integrity and sensitivity to our clients' needs. We handle all transactions in a professional, orderly manner. We are privately owned and operated (just like you) and have a proven track record of success. Paul Hudanick and Mollie Holleran have been with the company for over 18 years. We believe that being involved in every step of the process and holding your hand through the entire process is what sets us apart from others. When interviewing brokers, it is essential to do your research and evaluate their experience, reputation, and services before deciding with whom to trust your legacy. When interviewing brokers, our best suggestion is to ask them to provide a list of nearby practices they've sold within the last few years.

We vet all our buyers before a seller ever speaks one word to a prospective buyer because we understand that time is money, and we don't want to deal with people who are not serious about making a transaction or who are just difficult to work with.

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The next chapter of your life starts HERE. Contact us today to learn more about Practice Impact and find out how we can help you.

***Contact us TODAY to schedule
a free consultation!***

What Our Clients Have To Say About Us Matters

"Practice Impact delivered superior service from the first meeting all the way to closing. Paul and his team were attentive to all my needs as well as being available, friendly and they made what can be a challenging experience feel as though you're guided with experts holding your hand."

– Dr. Mary Ellen Wynn Cincinnati, Ohio

"I was very pleased with Practice Impact's professional manner throughout the transition! My questions and needs were answered on a timely basis. Paul and Mollie were very helpful with coordinating the next steps to make this transition smooth. I couldn't have asked for a better transition team!"

– Dr. Veronica Brunet Coldwater, Ohio