

## Changing Location When the Opportunity Comes Along



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Dentists, like most other professionals, often become complacent in the location in which they are working. The community changes but their practice remains the same. The first thing they know is that the practice does not relate to the community and no longer attracts new patients. This often happens because the ethnic nature of the neighborhood changes. Part of Canada's ethnic kaleidoscope is that a new group comes into the country, congregates in a certain area and changes the orientation of the neighbourhood. A dentist who relates to these new patient groups will prosper while others, who were well established before the new influx, may now flounder and stagnate.

The opening of a new plaza in your area can also create a major impact on your practice. Another dentist sees this as an opportunity and opens a new practice in the plaza. Meanwhile, your practice that hasn't moved with the times and is tired and old, no longer attracts patients. They see the new location and prefer to go there. This visibility trend, that started in the 1980s and certainly continued on into the 1990s and the new century, is playing an even greater role today in "who is successful". If you remember in Volume 18, I wrote about investing in your own practice. For some dentists this may mean moving to a more upbeat, superior and more visible location to allow your practice to grow.

I visited a dentist recently, who had graduated more than 20 years ago, to answer his question. "What should I do now"? The location was very good but the practice looked tired. He had not replaced the chairs and lights, which had been moved from his first location he had originally purchased back in the 1980s. He had spent nominal dollars on a few new assets. Ten years ago he had seen the writing on the wall and had moved the practice to the present location and has done very well increasing his gross to over \$1,300,000 – but he still has his old equipment. This could have a long-term impact of losing patients because the practice does not look up to date. For many patients dentistry is a matter of perception – associating tired, outdated equipment with the treatment provided. My recommendation to the dentist was to invest about \$100,000 on chairs, lights and an additional operatory. The practice would then look like the superior treatment centre it really is. Remember, the government pays half the cost when you write off your Capital Cost Allowance.

Dentists should periodically re-evaluate their practices. Would moving the practice to a superior location better relate to my patients? Do I really want to be here in five or ten year's time? Is a beautiful practice in an inferior building with poorly kept hallways the place to be? And seldom is stair access only in an ever-aging population a good formula. Reinvesting in new leasehold improvements is expensive but upgrading a location that you do not want to be in is counter-productive and would only tend to perpetuate your problems.

If you are anticipating selling your practice in the next few years, it is probably too late for major improvements – you would not be able to recoup your costs before you sell. Focus on upgrading such things as x-rays and sterilization, which is generally not an excessive amount of money.

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