

How Do I Prepare My Practice For Sale



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Part IV – I want to sell my practice, now

The time for planning has passed. Either the prior planning took place or it did not. Let us assume your planning was limited. What can be done now? The biggest thing today is to make your practice showable. Get rid of those piles of paper, package off the old models, look at your carpets – did they not have a good winter? If you think that the purchaser would like to stay in the same location consider whether the carpets should be replaced – especially in the high traffic areas.

Review your charts. If there are a great many charts where the patients have not been in for four or five years or more, glean them down to more active charts. Purchasers are not impressed with a lot of charts if they are not active – in fact it is a turnoff. A good rule of thumb is to have as many inactive charts (over two years since the last appointment) as there are semi-active charts (patients who were in over a year ago but more recently than two years). The chart drawers should not be overstuffed to the point where one has difficulty removing them. Also ensure that each pouch or folder has only one patient's chart in the folder, not the whole family.

If your current paint or wall paper is marked, soiled, tattered or outdated, replacing it freshens and revitalizes the appearance of the practice space. Equipment should be in good working order or removed. Buying new equipment may not be productive but good used equipment may be called for.

Replace burnt out light bulbs anywhere and everywhere, including signs. Clean out the refrigerator of old "stuff". Dispose of expired dental supplies. Clean off your desk – this may be a big job. Tidy up your bookcases and dispose of those old textbooks that you never look at. Throw out old and broken toys in the children's area. Tighten up the hinges on the doors in the lab and the operatories. Replace poor lead aprons which only last about five to seven years. Try to see your practice through a purchaser's eyes.

Once the above is complete it's time to prepare the valuation of your practice. This valuation may bring out other "presentation" issues. The valuation is needed for the purchaser to borrow the money from the bank.

Now you are ready to sell your practice. You should be prepared to understand what you want in terms of transition. Retirement, vacation time, transition period, taxes and selling shares or assets are some of the additional considerations. Having an accountant, a lawyer and a broker on your side is important. The better you can describe what you want to the broker, the easier it is to achieve.

OVERVIEW: Assuming your billings and patient base are all set and ready for the sale of your practice, now is the time to focus on having a tidy and attractive office.

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