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Successfully connecting the dentist's present with their future

DENTAL PARTNERSHIP AGREEMENTS • PRACTICE SALES • PRACTICE MERGERS • ASSOCIATE PLACEMENTS • DENTAL OFFICE APPRAISALS • BUYER REPRESENTATION

10 Things To Do Before You Sell Your Practice

It takes planning to sell your home, and the same level of planning should go into the future sale of your practice.

PLAN

1. Get Your Calendar Out

On average, it takes 6-18 months to sell a dental practice, depending on the practice and location. To get the best possible match, a broker needs time to get to know you *and* to market the practice to the right people. So pull out your calendar and know that in the meantime you'll be working to maintain, even improve, the strength of your practice while it is on the market.

POLISH YOUR PRACTICE

2. Accounts Receivables: Write Off or Send Off

You assess your account receivables on a regular basis, but when contemplating the future sale of your practice it's the perfect time to take a close hard look. Make the call regarding which accounts receivables should be written off or sent off collections. Too many of these accounts on the books could affect the negotiation process when selling your practice.

3. See Where Your Fee Schedule Stacks Up:

Are your fees comparable to others in the area? When was the last time you raised your fees? Investigate, analyze and act. If your fees are below average, consider raising them now. It will increase your practice income now, while making your practice more attractive to a buyer who won't want to increase fees right off the bat.

4. Revive your Recall System:

It's sometimes the case that established practices become a little lax with patient recall. Determine how to strengthen your recall system and you will see increases in patient numbers and production. A full schedule of patients is deemed favorable by potential matches, making your practice more attractive.

5. Polish Up Your Office

Increase the "curb appeal" by polishing up your physical office space. In the back office, make sure your equipment is in good working order and items are stored in an organized fashion. Assess the lobby--is it inviting? A few updates like plants, a fresh coat of paint, a change of artwork or new carpet can go a long way in making a good impression.

PROFESSIONALS

6. Take Stock: Your Financial & Tax Advisors

Can you afford to sell right now? Is it in your best interest? What are the tax ramifications? Now is the perfect time to meet with your financial & tax advisors to sort out these answers. They will be able to determine scenarios that will work for you and help you plan for a favorable purchase price allocation.

7. Interview & Hire a Dental Practice Broker:

Remember, you'll still be practicing dentistry while your practice is on the market. A reputable broker is on your team, and is skilled at the marketing, valuation and negotiating involved. Your broker will have relationships in place to find the right match, while keeping the sale confidential. Your broker also works with certified professionals should you need legal, financial or valuation expertise.

8. Obtain a Third-Party Practice Valuation:

Valuating the practice is a must before selling. A proper valuation done by licensed Certified Valuation Analysts provides the most comprehensive appraisal of your practice. CVAs are highly-trained Certified Public Accountants who specialize in evaluating businesses with a concentration on medical and dental practices. If you list your practice with ddsmatch, the valuation fee is credited from the commissions on the sale of the practice when it is complete.

PROTECT

9. Employment Contracts Protect Your Practice:

Do you have an associate? Are they an interested buyer? Or not? Regardless, you need to take steps to protect the practice's value. An employment contract with a restrictive covenant and non-solicitation clause are essential. Without those clauses, your practice becomes vulnerable if an associate leaves before the sale or is not hired by the buyer, ultimately driving down the value of your practice.

PACE

10. Keep Up the Pace: Finish Strong

Don't let up the pace just yet. Make an effort to maintain your existing schedule so your production and collection numbers remain strong. By doing so, your practice will look vibrant and valuable to potential buyers.

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