Selling the smart way

Selling a practice can be an emotional experience, particularly when it represents a lifetime of professional achievements. Ian Stead of Frank Taylor Associates offers some advice on embarking on the process.

You need to be clear in your own mind why you want to sell. Where are you going next? Will you retire completely, continue to practise dentistry with someone else or turn your practice into a limited company? Your reasons need to be clear, as others may also have a different perspective.

Some practices receive and accept offers of the asking price immediately, whereas others may take several months to accept an offer. In the context of selling your practice, it is important to understand the complexities involved.

Getting it valued

Before you find a buyer, you need to decide exactly what you are selling and obtain an objective assessment of what it is worth. You should be advised to instruct a valuer, whose understanding of the complexities involved will be invaluable.

Once you've established the price you can market your practice for, there is the question of how to market it. You need to create interest in your practice and convince prospective purchasers that it is worth the asking price.

Extra administration

You'll need a solicitor, preferably one with experience of selling professional practices. You may need to consider a solicitor who is experienced in the sale of a practice.

Viewing the practice

Give some thought to when you will be able to show interested parties around the practice. Remember, you may have to sell your practice at short notice and offer the goodwill you are selling outside normal practice hours.

Depending on your personal circumstances, you may or may not have told your staff about the impending sale. In the interests of stability within the practice, you may decide not to break the news until contracts have been exchanged, at which time you can introduce the new principal.

Whether or not you use an agent, there are simple steps you can take to improve the saleability of your practice. Five to start with are:

- Make your practice look presentable – would some fresh paint improve the overall appearance? First impressions matter – tidy the garden and the offices.
- Make use of specialist advice – buyers need to be confident that the practice has been valued by an independent dentist specialist and is worth the asking price.
- Get an independent valuation – buyers need to be confident that the practice has been valued by an independent dentist specialist and is worth the asking price.
- Keep your financial information up to date – any potential purchaser will want to compare the current trading position with that of previous years and be satisfied you have not let the business run down ahead of your retirement.
- • Be available – selling your practice requires a time commitment on your part. You will need to give the guided tour to interested parties at times that suit them, which may be in the evenings or at weekends.

Make use of specialist advice – take advantage of the support available from agents, solicitors and accountants who are dedicated to dentistry. Exploiting their experience is money well spent, and will help you circumvent the very real hazards which can derail what might appear to be the most straightforward practice transfer.

Selling your practice could be stressful and time consuming, but by learning from others’ experiences, much of the hassle and delay can be at worst reduced, and at best eliminated.

About the author

After graduating from Imperial College, London in 1980, with a degree in Zoology, Ian Stead joined Rentokil PLC Pest Control Division under a graduate recruitment scheme and soon progressed to sales manager of its London West branch. In 1995 Ian established an independent pest control company in London, which was sold in 2004. As the son of a dentist, Ian possessed some empathy with dentists and dentistry. It was with this understanding and his excellent knowledge of running a successful business that Ian joined Frank Taylor & Associates in April 2006 as managing director.

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