Buying a Practice? You need to impress the seller...

David Brewer provides a few common sense steps to improve their chances

The doom-mongers out there would have us all believe that the banks have simply shut up shop and are not lending – indeed anyone having read most Saturday editions of the Mail or the Express would normally then be running for the hills!

This is simply not true though; the banks now have an active edit from the Government to lend and with the dental industry being one of very few so-called ‘Green Light’ sectors, we are finding that as long as you have carefully prepared your proposal in advance (ideally in conjunction with a Dental Business Advisor who knows what the banks are looking for), then most clients can secure funding for practice purchase.

With a lot of associates unhappy with their lot and only seeing tougher times ahead with further reductions in their income, it is no wonder that the past nine to 12 months have seen a sizable rise in the number of associates looking to purchase – especially in the most popular areas. Demand to purchase dental practices is vastly outstripping supply with the net result being increased competition to purchase the practices in question.

In these popular areas it is very much a sellers’ market. So, as a prospective purchaser, how do you ensure that you stand out from the crowd and ensure the vendor WANTS to sell to you?

There are a few common sense steps that a purchaser can take to improve their chances:

- Turn up for your viewing appointment on time! Seems obvious but so often not the case!
- Prepare a verbal CV in readiness to talk about your past business and clinical experience
- Ask questions of the vendor to establish if you share a similar approach to dentistry (important as the vendor will quite be keen to ensure that a buyer cares for his/her patients in a similar way)
- Relate to the vendor – Look for a personal connection – try to find common areas of interest or common business experiences (eg you both studied at Liverpool)
- At the initial viewing do not ask too many in-depth questions (there will be plenty of time for that later!). Remember you may

Don’t be LATE

Raising Finance?

DO engage the services of an independent firm to liaise with the Banks on your behalf – will ensure proposal is packaged for best chance of a positive response and also to negotiate best terms.

DO ensure you provide an accurate summary of your current position including all savings and existing borrowing.

DO ensure your CV is up to date with particular focus on any past Managerial experience.

DO expect the Bank to want you to put down a contribution towards the purchase.

DO undertake your own research of the local area and find out why the current owner is selling.

Tel: 08456 123 434
01707 653 260
www.ft-associates.com

When viewing the practice, be sure to be on time!

About the author

David Brewer has worked with the dental profession for more than 15 years helping more than 1000 clients secure funding for practice purchase. With his banking background and friendly pro-active approach, he is ideally placed to provide advice and guidance to clients who are looking to purchase a practice or simply review their existing arrangements. David works with Frank Taylor and Associates and can be contacted on 08456 121454 or david.brewer@ft-associates.com

Frankly Speaking

Many of you may think that the above list is a little over the top - bearing in mind you may be purchasing for a sizable sum. However, in this competitive market you really do need to sell yourself to the vendor and to make sure they pick YOU above everyone else. It is not always the person who provides the highest offer who secures the practice - quite often it comes down to personality and who the vendor feels will look after their practice and patients best.

So be pleasant in that first viewing - and remember the tips.... they really do work.