Do’s and Don’ts

David Brewer discusses raising finance for practice purchase

It is a tough time at present for many associate dentists with a double whammy of the poor economic climate and increased practice costs putting the practice profits under increased pressure – and one area the practice owner can make savings is on the percentage share paid to associates.

The days of standard 50 per cent paid to associates are no more with 40 per cent and lower becoming increasingly common place.

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It is therefore essential that when approaching them for funding that you get it right first time – if you are ill prepared and the bank initially declines your proposal it is then very difficult to overcome that initial decision – all the more important therefore to engage the services of an expert BEFORE you speak with your bank.

Here are a few do's and don’ts to ensure your proposal has maximum chance of a positive outcome:

DO ensure you approach your bank well in advance of any proposed purchase.

DO NOT leave it to the last moment. It can take up to three weeks just for a basic lending decision due to the banks ever more in depth assessment process. If a property valuation is needed you could potentially double this time.

DO ensure you have up to date financial information to present to the bank (associate
Raising Finance?

**DO** engage the services of an independent firm to liaise with the banks on your behalf – both to package your proposal to maximise chance of a positive result but also to negotiate terms.

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**REMEMBER** the bank staff are tasked to maximise income for the bank – most dentists are very good at their day job but not when it comes to negotiating. Let the experts negotiate with the banks on your behalf – ultimately you will be the beneficiary securing more attractive terms which may not have been available if you approached the bank direct.

Finally... **DO** remember to take a short holiday before you purchase (you will need it...) and **DO** enjoy becoming a practice owner - it is certainly not an easy ride however ultimately much more rewarding and you are in control of your future.

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**About the author**

David Brewer joined Frank Taylor and Associates in the role of healthcare business development manager in 2010. He has worked with the dental profession for more than 15 years advising practice owners and banking arrangements. He can be contacted on 07817 756346 or david.brewer@ft-associates.com. Frank Taylor and Associates has a specialist finance division, Loan Hunter, that arranges loans for practices. For more information, call 08458 123424.