Thinking of selling? Get your house in order!

Thomas Coates from LCF Law discusses selling your dental practice

I often chat with practice owners over how to go about selling their practice. If this is you, here are my top tips that need your attention long before you even find a buyer:

1. Devil in the Detail
More often than not a well-run practice with proper management and organisational systems in place will enjoy a smoother sale process than one which isn’t.

Long before you market your practice, you need to start preparing for the “due diligence process”. This is the long and joyless process where a buyer raises enquiries into all aspects of your Practice. They’ll leave no stone unturned and you’ll be expected to provide documents to support the answers you provide. Policies, procedures, staff contracts, self-employed agreements, NHS BSA statements, CQC paperwork, accounts and inspection certificates are just some of the paperwork you’ll be expected to provide. Where you can’t provide them, the buyer will expect you to go and find them.

This is why the more organised your practice and the better systems you have in place, the less of a headache the due diligence process will ultimately be. Have mind to this process now. Speak to us and we’ll happily provide you with a sample set of enquiries so you can begin getting your house in order long before you agree a sale.

2. Ask The Experts

Years ago it was the case that the most valuable aspect of a practice was the premises. Not so in this era of sky-high goodwill values. You need to ensure that you have high quality advice from specialists who understand your industry.

Speak to a sales agent who specialises in the dental industry to obtain an accurate and realistic valuation based upon their knowledge of the industry. They’ll give you an indication of likely timescales for sale and demand for your practice which will allow you to plan your exit timescales accordingly.

Speak to a dental specialist lawyer who will talk to you about what you can and cannot do with your NHS contract on a sale. Make sure they can demonstrate years of experience in buying and selling practices, that they understand complex corporate transactions. Make sure they can tell you the difference between a PDS and a GDS contract and they know what a LDA is! Also check that within their team they have a property specialist who can deal with the practice premises. Long gone are the days of the high street solicitor who did your will and bought your house having the skills to quickly and efficiently deal with such a valuable and complex asset. Find a specialist dental team, not a jack of all trades.

Speak to a dental specialist accountant who will advise you on your taxation position on the sale. There will be significant tax implications surrounding the way in which you sell your practice and top quality advice at very beginning is essential.

About the author

Thomas Coates is a Partner and Head of the Dental Team at LCF Law in Leeds. Thomas has years of experience in acting exclusively for dentists and dental practice owners throughout England and Wales particularly in respect of practice sales and purchases, practice business structures, incorporation and general commercial advice. Within the Dental Team he can also call on Solicitor led expertise in Dental Employment and HR, CQC issues, GDC regulatory matters, NHS disputes and Property. Call Thomas on 0113 2440876 or email tcoates@lcf.co.uk for a no cost/obligation consultation.