

Happy birthday to us...

Practice sales agent **Frank Taylor & Associates** is 30 years old. **Lis Hughes** tells the story...

The journey for Frank Taylor & Associates began in 1988 when Frank Taylor and Sandra Rhodes left Claudius Ash to set up Frank Taylor & Associates.

Prior to Frank Taylor & Associates there was no open market for the sale of dental practices, so Frank and Sandra were innovative in introducing the idea that dental practices should and could be run as a business, a concept that was ground breaking at the time. It is not unusual to speak to principals today who credit Frank with their initial business plan. However, not all of his beliefs were successful as he was incredibly vocal that the fad of email would never survive... interestingly, in the past 12 months we sent 2,640,000 emails to our clients.

First practice sold

The first practice ever valued for sale was in Hove, East Sussex for a record-breaking £21,200, compared to today where a similar practice would be £625,000 – an increase of 3,061%.

Over the years we have grown our client base of sellers and buyers, and today we have 4,921 dentists registered an interest in buying a dental practice. To put it in context, if you were looking to sell a dental practice in Hertfordshire today we have 2,066 dentists looking for a mixed NHS/private practice and 1,477 for a fully private practice.

In 2000, city bankers Chris and Andy bought Frank Taylor & Associates, originally as an investment; however, they swiftly moved into active business ownership and transformed the business model, quickly establishing it as one of the UK's leading valuer and sales agents

to the dental profession – a position we are proud to still hold today. Frank and Sandra remained with the business until Frank retired in 2002 and Sandra in 2007.

First-class team

Chris, Andy and I are incredibly proud of our team, we have an exceptionally high retention rate for staff and, it is great to see such a genuine feeling of ownership from them and their desire to make sure all our clients experience the highest service levels at all times. Our commitment to customer excellence has never wavered and our recent initiative, the practice sales promise, continues to evidence this.

The dental market survived the financial crash of 2008 better than most other sectors and it was at this point we started to see a change in attitude between private and NHS practices, as banks who were happy to continue providing funding for the purchase of dental practices were looking for security that bank loans could be paid and what

better way than a regular income from the NHS? So guess what? The value of NHS goodwill increased significantly compared to private and continues to do so to this day.

In 2013 we extended our physical presence and opened a Manchester office to provide a local presence for our ever growing northern clients, and with FTA Wealth based in Dorset it is encouraging to see how this has enhanced our brand awareness.

By 2017 we delivered our 10,000th valuation and continue to feel privileged that we are invited into so many dental practices across the UK, every practice has its own story and we are always thrilled to get the opportunity to be the story teller. **D**

FTA MEDIA IS a division of the Frank Taylor & Associates group and specialises in providing relatable and authentic video content for dental practices. Call 0330 088 1156 or email oliver.acton@ft-associates.com to find out more.

PRACTICE ONE – HOME COUNTIES

Practice location – this practice is situated within a purpose-built, two-storey building, close to the town.

Practice type – this is a five-surgery, fully private practice being sold to allow the principal to focus on other business interests. The practice was established 50 years ago and is being sold as leasehold with a 20-year lease, with rent reviews every three years.

Practice gross – the gross fee income for this practice is in the region of £1,300,000, of which 28% is derived from private income and 72% from a Denplan scheme. The income has been generated by the principal working four days a week, three associates working a combined 12 days a week and three employed part-time hygienists. This team is supported by a full-time practice manager, a part-time financial manager, two receptionists, and four full-time and four part-time nurses.

Price achieved – a price of £1,500,000 was achieved, which was above the asking price.

Agent's comments – this practice has a very well-established patient base and with the majority of patients on a capitation scheme. The new owner can see the reliability of this income and as the surgeries are not fully utilised can see an opportunity to develop the practice even further.

PRACTICE THREE – SOUTH WEST ENGLAND

Practice location – this practice occupies the ground floor of a shop-fronted property, situated in a prominent location within a residential area. There is parking available nearby and good transport links.

Practice type – this is a three-surgery mixed practice, which has been established for 20 plus years. The existing principal is selling to facilitate retirement plans. The practice is being sold as leasehold with a 15-year lease being created. This is a share sale and the NHS contract is held in the company name.

Practice gross – the gross fee income for this practice is in the region of £850,000, of which 85% comes from a NHS-GDS contract and 15% from private income. The income has been generated from one director working two and a half days a week, two full-time associates and two part-time hygienists working a combined three days a week. They are supported by a full-time practice manager, one full-time and one part-time receptionist, and two full-time and one part-time nurses.

Price achieved – a price of £1,852,000 was achieved, which was in excess of the asking price. The funding for this purchase was sourced by FTA Finance.

Agent's comments – the director is happy to work on at the practice for a six-month period, which suits the incoming buyer who has plans to work at the practice full time. The net adjusted profit on this practice is calculated at 49%, and along with the consistency of the turnover over the past few years has afforded the new owner the comfort to pay in excess of the asking price.

PRACTICE TWO – MENDIP HILLS

Practice location – this practice is located within a detached two-storey building on the high street of a busy town with a large free car park nearby, and is in close proximity to the town centre.

Practice type – this is a three-surgery mixed practice, which has been trading for 35 years. It is being sold as freehold and the current principal is happy to stay on for at least a year.

Practice gross – the gross fee income for this practice is in the region of £500,000 per annum, of which 18% is derived from a NHS-GDS contract and 82% of the income derived from private fee per item. The income has been generated from the principal working four days a week, two associates working a combined five days a week and a hygienist working two days a week. The team is supported by a full-time practice manager and three full-time nurses.

Price achieved – a price of £950,000 was achieved, which was in excess of the asking price.

Agent's comments – this practice proved to be very popular, which allowed the sellers to choose which buyer they felt would be the best fit for the practice and the team. We are seeing more principals wanting to remain as associates when they sell a practice. The drive for them is to enjoy the clinical work without the demands of running a business, and with it being a seller's market we are seeing more and more business owners considering their options.

PRACTICE FOUR – M25 CORRIDOR

Practice location – this practice occupies a three-storey terraced property within a mix of commercial and residential properties on a busy high street. It is being sold as a freehold.

Practice type – this is a three-surgery mixed practice, and the existing principal is selling to enable him to facilitate retirement. This is a limited company sale and the NHS-PDS contract is in the name of the current principal.

Practice gross – the gross fee income for this practice is in the region of £450,000, 14% is derived from NHS-PDS contract and 86% private, of which 30% is from a capitation scheme. The income has been generated from the director working three days a week, two part-time associates working a combined four days a week and two part-time hygienists. The clinical team is supported by a full-time practice manager, and one full-time and one part-time nurse.

Price achieved – a price of £975,000 was achieved, which included the freehold. The funding for this practice was sourced by FTA Finance.

Agent's comments – the current principal was selling the practice to facilitate his retirement after setting the practice up as a squat over 30 years ago. His most important criteria was finding the person he felt the most able to take on his team and his patients. The new owner has plans to develop the practice as there is potential to add in another surgery and currently the practice is not running at full capacity.