

BUY A PRACTICE IN NINE EASY STEPS

Written by **Andy Acton**



Andy Acton breaks down the process of choosing and buying a practice into nine simple steps

It was Benjamin Franklin that said, 'By failing to prepare, you are preparing to fail.' Nowhere is this more true than in the purchase of a dental practice.

So often viewing a practice is seen as the first step towards ownership. It is indeed a critical step, but some firm foundations (in fact, as many as six separate steps) need laying well before even a viewing and naturally others follow too. Breaking the process down into logical phases will simplify matters and keep you focussed. Below is a nine-step guide to successfully acquiring a dental practice.

1. LOCATION

Decide where in the country you want to buy. This is your biggest decision, as this will drive everything else. There is no point in viewing practices on the south coast because they match five of your criteria if you live in Scotland and don't plan on moving. Equally if you are mobile, more rural locations can offer great value for money, as the demand for such practices isn't as high as in larger cities.

2. COMMUTE

Be honest about your daily commute. Do some practice runs during rush hour on different days. Get comfortable with what would be a daily journey.

3. BUDGET

Work out your budget. There is nothing more disappointing than finding your dream practice only to realise it's out of your budget. Speak to an independent commercial finance broker who can assess your situation and



guide you on your price range. You should also consider getting a Pre-Assessment Certificate, which will both validate your financial means, and give a clear indication to sellers that you are serious about the process.

4. SIZE

Size matters. Larger practices come with more surgeries, more management issues, more equipment to maintain, higher running costs, and so on. This shouldn't put you off and isn't intended as a 'cautionary tale', but it does need to be considered and it's important you feel comfortable with the increased responsibility that comes with a big practice.

5. GOOD MATCH

Ensure the practice matches your clinical experience and caters for your future needs and ambitions. If you have spent the past decade working in a private practice, then taking over an NHS contract with 22,000 UDAs (and where the existing principal delivered 9,000 of them) may not be easy.

6. EXPERTS

Engage the experts. They have all been through the process many times, so call on their experience. There are practice sales agents (look for one that is committed to the Practice Sales Promise), specialist solicitors, and financial advisers that specialise in the needs

of dentists that will have dealt with hundreds of clients just like you. Any broker/specialist should be able to more than cover their cost with added value.

7. VIEWING

A practice viewing is naturally to see the physical practice, but also to meet the current principal too. A good practice will be well led, as the principal drives the culture. Asking about the team and patients is key in the limited time you will have. The sales agent can provide all the data you need, so when you visit try to find out what makes it special.

8. ACTION

Take decisive action. If you like the practice, then move quickly. Let the seller know (via the agent if one is involved or your interest may not get noted) that you are interested and try to ensure yours is the offer accepted. After that swiftly appoint a solicitor and ensure you have all the financial arrangements in place. In the early weeks of the process the seller will be busy assembling his or her own paperwork so the due diligence can begin. Use this time wisely to get your finance in place, start your CQC application and draw up a plan.

9. MOMENTUM

Keep the momentum going throughout the purchase process. It requires commitment from start to finish, you need to make sure that the deal keeps moving which will require you keeping in regular contact with your solicitor, lending bank, valuer, CQC and others to ensure you ultimately get the sale 'over the line'. Ensure everyone involved knows what is expected of them, and by when, as the sooner you can take over and take control the better.

Good luck in finding the practice of your dreams. ●

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