

Don't restrict your market

Lis Hughes highlights how important it is to reach out to expert advice when selling a dental practice to ensure the process is as smooth as possible

Lis Hughes
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In most areas of life if we are faced with a decision in an area for which we aren't an expert, we will seek professional advice, whether that is repairs to the car or the home or an appointment with the doctor.

Put simply, we want to minimise the risk of making a potentially costly bad decision or misdiagnosis; it's exactly the same reason patients come to see a dentist after all – their professional opinion and judgement is highly respected.

It's surprising therefore that fewer people don't engage the services of an expert when it comes to making one of, if not the, biggest financial decision of their careers...the

sale of their practice.

Manhar Segal recently sold his Millenium Dentistry practice, with the help of Frank Taylor & Associates throughout the process. Reflecting on the experience now, he is adamant that partnering with Frank Taylor was one of the best decisions he made, 'right from the very beginning with my initial contact with Andy Acton it was clear that the knowledge he possessed of the market was second to none. Overall, the service provided by FTA was simply par excellence'.

Andy has much knowledge to impart, having worked in the industry for nearly 25 years.

One key component is the importance of marketing using an independent database.

'It's crucial, as it will ensure you get a fair appraisal of the value of your practice. The more data points

you have, and by that I mean the bigger and more comprehensive the database of potential buyers, the more you can be certain you are getting the best and most realistic price for your practice'.

It's a view backed up by Manhar: 'We had tried other agents, and in fact had nearly sold at way below the price FTA helped us achieve, so we are delighted we got FTA involved when we did.'

'Another factor, perhaps less easy to quantify, was that we had built the practice up as a family run independent', continues Manhar. 'Not surprisingly perhaps, we felt a sale to a corporate wouldn't have been to the liking of our patients, so we were keen to sell to another independent. That's where the contacts and database of Andy and the team at Frank Taylor were so important.'

'We would never have had access to that network, never have had that insight or knowledge, but to be able to call on it and have FTA help us every step of the way was invaluable. We really couldn't have done it without them! **D**

FOR MORE INFORMATION call 0330 088 1156.

PRACTICE ONE - SOUTH LONDON

Practice location: this practice is located in the heart of a thriving and vibrant district of London. Not only are there busy shopping areas, there are numerous office blocks all of which are back to capacity as working from home becomes less of the norm.

Practice type: this is a very well established two surgery, mainly NHS practice, with a very healthy UDA rate in excess of £30.00 per UDA. The practice is being sold to release the principal from the burden of practice ownership. It is being sold as leasehold with a new 15-year lease being created.

Practice financials: the gross fee income from management information for the past 12 months is in the region of £575,000 per annum and is 90% NHS and 10% private. This is an associate run practice, and the gross has been generated by three associates working a combined 7 days a week. The clinical team are supported by a part-time practice manager, two full-time nurses, one part-time nurse, and two part-time receptionists.

Price achieved: a price of **£1,500,000** including the freehold was achieved which was in excess of the asking price.

Agents comments: this practice proved to be incredibly popular when it was launched to the market thanks to a mix of location, opportunity and of course a healthy UDA rate! The new buyer will be working in the practice so will see an enhanced profit, plus the opening hours are to be extended and the plan will be to increase the private revenue.

PRACTICE TWO - EAST LONDON

Practice location: this practice is in a busy district of London with great transport connections. It is on a busy high street with a mix of residential homes, local shops and businesses nearby.

Practice type: this is a two surgery NHS practice established over 30 years. It is being sold as leasehold with a 15 year lease in place.

Practice financials: the gross fee income from management information for the past 12 months is in the region of £200,000 per annum. This has been generated by the principal working five days a week and a hygienist working four days a month. The team are supported by a full-time nurse and a full-time receptionist.

Price achieved: a price of **£580,000** was achieved which was in excess of the asking price.

Agents comments: this principal of this practice was ready to sell pre-Covid. He has found the past two years to be somewhat challenging so it was a relief for him when we found a buyer who could move swiftly and could see the potential within the practice. There has been little in the way of enhancing the practice over the years, so a major refurbishment is to take place before the new principal increases the range of dentistry to be made available.

PRACTICE THREE - NORTH LONDON

Practice location: this practice is located on a busy main road with all the usual amenities you would expect to find in an urban town.

Practice type: this is a two surgery, mixed practice which is 60% NHS and 40% private and is being sold to facilitate the retirement of the principal. The practice is being sold as leasehold.

Practice financials: the gross fee income from management information for the past 12 months is in the region of £250,000 and there is a UDA rate of £24.75 per UDA. The income has been generated by the principal working two days a week, an associate also working four days a week, and a hygienist working two days a week. The team are supported by two full-time nurses/receptionists.

Price achieved: a price of **£650,000** was achieved which was in line with the asking price.

Agents comments: yet another practice which flew off the shelves! It is well run with great reconstituted profits and offers a great opportunity to develop the private element. The incoming principal is keen for the principal to stay on as it is his first purchase. He was drawn to the practice as he felt he could learn from the experience of the current principal who is very willing to share his knowledge – how lovely is that?

PRACTICE FOUR - ESSEX

Practice location: the practice occupies a substantial property in a major town within Essex with great transport links.

There is a mix of commuters and local residents who attend the practice.

Practice type: this is a three surgery mixed practice established over 50 years. The practice has an excellent local reputation. It is being sold as leasehold as the current principal wants to be released from the burden of practice ownership.

Practice financials: the gross fee income is in the region of £350,000. This is made up of 60% NHS and 40% private and there is a UDA rate of £25.64. The income is generated by the principal working five days a week, an associate working 2 days a week, and a hygienist two days a week. They are supported by a full-time receptionist and three full-time nurses.

Price achieved: a price of **£610,000** was achieved which was in excess of the asking price.

Agents comments: this practice is well run and currently has a chair occupancy of nearly 65%. However, there is a great opportunity to develop the already well established private element. The buyer of this practice worked there several years ago and was delighted to get the opportunity to become the new principal.

