



Highly Successful Dentist Successfully Transitions from Practice After Life-Changing Injury

1) Introduction

Dr. X had a large, sophisticated dental practice that performed high-end and specialized dental procedures on a fee-for-service basis. His well-established practice was located in an affluent part of Austin and consisted of two associate dentists and several hygienists. Nationally, Dr. X was considered a leader in his field and was a widely sought after speaker and trainer. Dr. X and his wife spent the greater part of their time nurturing the business and Dr. X's nationwide exposure. The two of them were living comfortably with a highly successful practice. Dr. X's practice generated considerable revenue - in the top 1/2% of dental practices nationally.

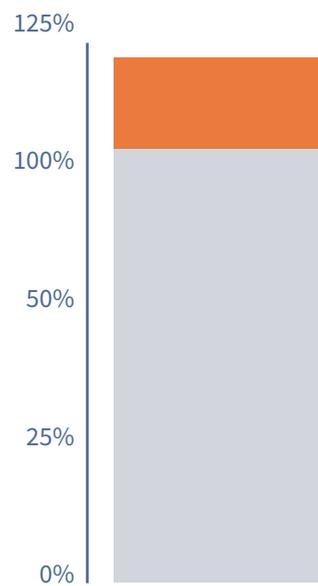


3) Our Approach

Because Dr. X was unable to work and facing a radical surgical procedure, he needed the sale to be quick and as pain free as possible. Practice Transitions Group knew the buyer pool could be limited and decided to mass-market the practice nationwide to reach a large enough buyer pool that could take on the demands of Dr. X's practice. Additionally, Practice Transitions Group used their expertise to find a lender to finance the transaction which was not an easy task given the decline the practice was experiencing.

2) Challenge

In a tragic twist of events, Dr. X suffered a traumatic spinal injury that made it impossible for him to continue his career. As news of the accident began to spread, his associates and hygienists started to leave the practice, and it appeared that his practice would decline. If not handled properly, the practice might sell for only one-quarter of its original value. If that happened, Dr. X. would only receive enough money from the sale to pay his debts, with nothing left to show for his years of hard work.



▶ **Practice Transitions Group was able to obtain a price 20% higher than we originally thought we could get for the practice.**

4) Roadblocks

Marketing started in October with only two months to make a quick sale before the winter holidays set in and buyers' appetite dwindled. Finding a buyer who had the balance sheet to purchase something this large, take on overhead of this magnitude, have the clinical skills to perform the procedures, and the experience to hire and manage a staff of this size is a needle in a haystack. Coupling that with the timeframe made this a stressful and exponentially difficult task.

Practice Transitions Group also had to work against the potential that buyers may use Dr. X's injury to negatively negotiate against the full value of the practice. They prepared for lower offers by highlighting the success of the practice, its specialized and high end cosmetic procedures, and the value of the location. Throughout this process, they carefully advised Dr. X before and during negotiations.

5) Solution

The key to the successful sale of this practice was to find a unique buyer who was in the position to purchase and operate a large, specialized, mostly cosmetic dental practice.

The buyer would also require the high-level dental skills to perform the Dr. X's work and the business savvy to quickly hire new associates and hygienists to replace the team that left the practice.

6) Results

The Practice Transitions Group team located an older dentist from out of state who possessed the specialized skills required to follow on with Dr. X's work. He had recently sold his practice, had cash on hand and the ability to qualify for a loan. He was eager to relocate to Austin and start a new practice in a highly desirable location. Though he tried to lowball the practice, Practice Transitions Group was able to get him to come up to a price that was 20% higher than we originally thought we could get for the practice. More importantly Dr. X was able to hand his practice off to someone he trusted and move on to work on his health.

From marketing to sale to closing, the entire process was quickly completed in just over two months, with the closing occurring on New Year's Eve. Dr. X was able to successfully transition out of the practice and pursue a new life in recovery.

Call us at (512) 761-7101 or send us an email at info@practicetransitionsgroup.com to explore your healthcare real estate needs.