Henry Schein Professional Practice Transitions partners with Dental Tribune America

Given the current economic climate, what changes do you see in the dental practice sales market? While I cannot speak for the practice industry as a whole, for Henry Schein Professional Practice Transitions, 2008 was a record year, including the fourth quarter while all the bad economic news was occurring. It is attributed to the size and experience of our nationwide team as well as our track record in facilitating financing for practice transitions. Different doctors have different strategies. No one—certainly not buyers or sellers—is immune from the stock market and the general economy. As a result of losses sustained, some dentists are postponing execution of their exit plans, which has resulted in steady or even increasing practice valuations for those still electing to sell. Other dentists, having provided for their retirement through careful planning, have had minimal effects from their retirements, plans, and see the current practice sale market place as an unprecedented opportunity to receive the maximum value possible for their practice. The needs of buyers and new dental graduates have not been changed by the economy nor have the advantages of buying an existing practice changed. And despite the headlines, most of our credit worthy buyers, using HSPPST’s available financing resources, are having no problem securing the necessary financing.

Henry Schein Professional Practice Transitions (HSPPST) is proud to announce its partnership with Dental Tribune America by providing valuable and timely articles on practice purchases and sales. Planning and preparation are vital to every dentist’s successful career transition, and ongoing practice operations and profitability until that transition happens. HSPPST’s unmatched nationwide network of regional offices and contacts offers the most extensive knowledge for dentists on practice transition issues, financing and nationwide listings.

In 2009 and going forward, it is more important than ever that dentists deal with experienced and industry-specific dental transition specialists. Dental practice transitions have always been more about goodwill than tangible assets—in reality, a buyer is purchasing the “custodianship” of patient files. This is the most valuable part of any practice transition. Whether dentists use an unqualified or inexperienced practice transition consultant, or attempt to plan and implement a transition themselves without the use of a professional, most dentists face delays and challenges that range from finding a qualified buyer to finding financing that doesn’t require the seller to subordinate or guarantee a buyer’s loan. And this does not include the potential mistakes made, ultimately costing the dentist tens of thousands of dollars.

Heralding this partnership and the benefits Dental Tribune readers will reap from it, National Director of Transition Services for Henry Schein Professional Practice Transitions, Eugene W. Heller answers a few questions that have been on many dentists’ minds.

What are you doing as a division to help your customers get through these economic times?

Valuations of dental practices are a function of earnings. There are different ways to work with sellers based on the different stages they are individually at in their transition planning. Some sellers want to “sell now” if they have a qualified buyer through a role reversal where the seller becomes the associate for the buyer. Another means of capturing some of the practice equity while maintaining control and the benefits of ownership involves a partial sale now with details of the future sale carefully laid out at the time of the first half sale.

What do you think a dentist really needs to know about transitions?

All dentists will either leave ownership by design or default. It is truly never too early to plan and design a transition. The earlier a dentist lays out his or her transition, the sooner he or she can begin “preparing the practice” for transition. These preparation steps not only increase the value of the practice and enhance its salability, but also increase the practice’s profits until the transition occurs. Dentists need to know what a practice valuation does and why they should have it. The ultimate purpose of a current practice valuation is the same as life or disability insurance—to protect their families. Practice transition consultants do so much more than answer the question, “If I want to sell my practice right now, how much can I get and how fast can I sell?”

Why did you decide to work with Dental Tribune?

Dental Tribune America has really set itself apart from other publications in the industry and proven that its publications are a reliable source of timely news and information for the general practitioner and specialist alike. The layout and content is highly readable and applicable to a practitioner’s daily life.

What benefits do you see by publishing in Dental Tribune?

There is more to being a dentist than just dealing with people’s teeth. Dentists are entrepreneurs and business owners who need to know the ins and outs of running a business. Despite optimal clinical training, the business aspect of their career received minimal emphasis during dental school. Henry Schein Professional Practice Transitions has a wealth of knowledge to share with dentists and we feel our partnership with Dental Tribune America is the perfect vehicle to accomplish that. Even if a dentist does not utilize our transition services during his or her own practice transition, we hope the information we share here will help practitioners make good choices while avoiding costly mistakes.

Future editions of Dental Tribune will feature a series of articles on dental practice transitions as well as informative dialogue regarding this important topic.

About HSPPST

Dr. Eugene W. Heller is a 1976 graduate of the Marquette University School of Dentistry. He has been involved in transition consulting since 1985 and left private practice in 1990 to pursue practice management and practice transition consulting on a full-time basis. He has lectured extensively to both state dental associations and numerous dental schools. Dr. Heller is presently the national director of Transition Services for Henry Schein Professional Practice Transitions. For further information, please call (800) 750-8883 or send an e-mail to hspst@henryschein.com.