Protecting your interests

Don’t make a hasty decision when selling your practice, says Andy Acton

As a professional dentist, it’s likely you’ll have developed a good reputation and positive relationship with your patients throughout your time in a practice. So after investing what is often an entire life’s hard work building these things up, the last thing you want to do when selling your practice is making a hasty decision, and risk leaving your patients in the hands of a less reputable practitioner. This might not happen, but it could if you don’t follow certain steps.

Avoid conflicting interests
If you plan to sell up, you should find a sales agent you can rely on with an in-depth knowledge of the dental industry, who understands that the highest price offered may not necessarily be the best option.

It’s also important to make sure the agent is operating honestly and not working with a conflict of interest as they could undervalue the practice to make a quick sale. By accurately and transparently appraising the surgery, and by guaranteeing they will never work for both the buyer and seller in the same transaction, professional agents will be putting the seller’s needs first.

Check the services they offer. By reviewing sources of income, assessing goodwill, equipment, fixtures and fittings, together with a review of the owner’s financial accounts, an independent valuation will provide an accurate market value of the practice. This will enable comparisons to be made with the expenses of other similar types of practice.

Marketing your practice
The next stage of the process is marketing. To successfully do this, the agent will need to collect all of the relevant business details to pass on to prospective buyers. After the agreement of these particulars, the most appropriate marketing strategy will be determined. This will involve arranging viewings so prospective buyers can visit the practice for themselves.

It’s important that these viewings times fit into your schedule, so you get to meet prospective buyers personally. It may be a good idea to arrange an open day when you can focus solely on selling the practice, rather than shoe-horning in viewings around patient treatment times.

Commitment and stability
When buying or selling any property in today’s climate, the market is tough. It can sometimes seem people are out for themselves, pulling out of agreements and making last-minute decisions, which ultimately have a negative knock-on effect on all of the parties involved.

It’s important to find commitment and stability. Once a suitable buyer has been identified and an offer accepted, the sales agent should request a non-returnable commitment payment from the purchaser to demonstrate their serious intention to buy. This payment will be held by the agent until the transaction is complete and will be put towards the purchase price if everything goes smoothly. At this time, the practice will be taken off the market and solicitors’ details will be exchanged.

A tailor-made solution
The most professional sales agents will offer tailored solutions to each individual practice. They will strive to gain an in-depth understanding of the client’s needs, acting confidentially and ethically, with the seller’s best interests at heart.

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About the author
Andy Acton is director of Frank Taylor & Associates, independent valuers and consultants to the dental profession. Andy has helped a number of dental specialist banks develop their services to the dental profession, including NatWest and Bank of Ireland. For more information, call 08456 123434, email team@ft-associates.com or visit www.ft-associates.com.