

# THE IMPORTANCE OF A CURRENT PRACTICE VALUATION

## DO YOU HAVE LIFE INSURANCE? DO YOU HAVE DISABILITY INSURANCE? WHY?

The answer is to protect your family!

Despite the dentist's attempt to protect his/her family, most families have no idea what the practice is worth or where to find the documents necessary to have it properly appraised.

## DID YOU KNOW THAT IN THE EVENT OF THE PRACTICE OWNER'S DEATH OR DISABILITY...

- The practice decreases in value 5% per week?
- The unprepared family is frequently unable to cope with the practice until it's too late?
- 50+% of all practices go unsold at the time of the untimely death of the practice owner, primarily as a result of delays in getting the practice to market?
- 95% of all practices unsold after ninety days do not sell?

## WHAT PART OF YOUR RETIREMENT PORTFOLIO DO YOU EXPECT THE SALE OF YOUR PRACTICE TO MAKE UP?

In an effort to increase value and increase the chance for sale, every practice owner needs to know the current value and marketability of their practice as well as have a transition plan in place as the foundation for future practice decisions.

## ARE YOU AWARE...

- More doctors retire than graduate?
- Regionally, there are currently two practices on the market for every buyer?
- There are multiple rural practices on the market for every buyer?

(continued on reverse side)



## **ARE YOU AWARE OF HOW DIFFICULT IT IS TO SELL THE HIGH-END PRACTICES (THOSE THAT GROSS OVER \$800,000)?**

- 90% of those practices that are sold are done through the grooming of a “hand-selected” associate
- Outright purchase without the presale associate is rare

## **ARE YOU PLANNING ON BRINGING IN AN ASSOCIATE IN THE NEXT FIVE YEARS?**

- Did you know that if the purchase price is not agreed upon at the start of the associateship, only 1 in 10 associates buy?
- Did you know that if the price is agreed upon at the start, 3 out of 4 buyins/buyouts occur as planned?

## **THE SOLUTION...**

- Have the practice evaluated before a problem arises. Have the correct information and input, instead of haste and confusion
- Discuss the urgent need to act quickly with significant family members
- Give family instructions regarding “attorney involvement” and the need to act quickly

## **ARE YOU PLANNING ON SELLING AND/OR RETIRING IN THE NEXT 4–7 YEARS?**

### **A PRACTICE VALUATION WILL:**

- Give an idea of current market value
- Give suggestions to enhance the the value and likelihood of selling
- Allow time for equipment upgrades
- Provide increased profit until the sale
- Provide a better working environment until the sale
- Enhance and increase “curb appeal,” thereby increasing the likelihood of a sale
- Provide the tools needed to negotiate the price of the practice for an associateship leading to a buyin or buyout

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