

12

steps of buying a practice:

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1. Decide on a location. City, state, and community.

Choosing the right location is vital, as it will impact your patient base and practice growth. Consider factors like local demographics, economic conditions, and competition. A supportive community with growing families, schools, and easy access can be ideal. Assess how the location aligns with your personal and professional goals, as well as its potential for long-term success.

2. Engage with a dental lender and attain pre-approval.

Getting pre-approved with a lender who understands dental practices allows you to define a clear budget and strengthens your credibility. Dental-specific lenders are well-versed in industry trends, helping you choose a financing plan suited to your needs. This step ensures you're financially prepared and ready to move quickly when you find the right practice.

3. Search for practices for sale.

With your budget and location in mind, start exploring available practices. Use online marketplaces, dental brokers, and industry networks. Compare options based on patient volume, revenue, and practice size. Assess how well each practice aligns with your goals, factoring in attributes like patient demographics, specialty focus, and existing reputation.

4. Schedule a site visit and meet the seller.

A site visit lets you see the practice environment, assess equipment, and meet the seller. This meeting provides a chance to understand the practice's culture, learn about daily operations, and ask specific questions. Observing the practice's physical condition and talking

5. Review practice data.

This step involves examining the practice's financial and operational data, including revenue, patient volume, and treatment mix. Look at expense ratios, profitability trends, and demographic details. A thorough review will help you assess if the practice's financial health meets your targets and ensure a sound investment.

6. Perform due diligence.

Due diligence is an in-depth evaluation of the practice's financial, legal, and operational records. Confirm that financials are accurate, review patient files, and check for any compliance issues. Having a Dental Acquisition Consultant support through this process can help uncover any red flags that may affect your decision.

7. Submit a Letter of Intent (LOI).

The LOI formalizes your interest and outlines preliminary terms like the offer price and any conditions for the sale. Although it's non-binding, the LOI sets expectations and initiates negotiations. Presenting an LOI demonstrates seriousness and moves the purchase forward by establishing a framework for the transaction.

8. Review the Purchase and Sale Agreement (PSA).

The PSA is the official contract governing the sale, detailing key elements like price, payment terms, and obligations of both parties. Reviewing the PSA thoroughly, ideally with a lawyer, protects you from any future disputes. Ensure all agreed-upon terms are captured accurately before signing.

9. Begin insurance credentialing.

Starting the insurance credentialing process early is essential for continuity, as credentialing can take months. By beginning credentialing before the closing date, you ensure you're prepared to accept insurance plans for existing patients, minimizing gaps in revenue once you take over the practice.

10. Meet the staff.

Introducing yourself to the staff is essential to creating a positive work environment. Meeting each team member helps ease concerns they may have and gives insight into their roles and strengths. Building trust and establishing a good rapport with the staff will help in maintaining continuity and morale.

11. Close on the sale of the practice.

Closing finalizes the transaction, legally transferring ownership to you. This is when all payments and legal documents are finalized. With the support of brokers and legal professionals, closing ensures all requirements are met, officially making the practice yours.

12. Website Conversion.

Updating the practice's website with your branding, contact information, and credentials is crucial. A refreshed website reassures existing patients and attracts new ones by providing updated information about the practice under your ownership. Enhancing the site with your own bio, services, and patient resources can strengthen your online presence and patient engagement.