

THE PROBE

PROACTIVE VERSUS REACTIVE – LEAH TURNER DENTAL ELITE

FEATURED PRODUCTS PROMOTIONAL FEATURES

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Here, Leah Turner, Practice Sales Manager of Dental Elite reflects on the importance of using a dental practice sales agent that is proactive rather than reactive.



After years of hard graft and growing your business, you will undoubtedly want to achieve the best price possible when you finally come to sell your practice. You may have even had your practice valued previously as part of your exit strategy and have your heart set on a particular figure. What you must remember, however, is that values are changeable, and what you were estimated several years ago may not be the same as current calculations. What's more, selling a practice isn't just about getting the best financial deal (though that is important!); it's also about successfully achieving completion with as few complications as possible, as well as having the best overall terms and conditions for you.

As such, it is always wise to put together a detailed plan of how you are going to execute your exit strategy, and where possible enlist the services of an experienced and reliable agency with specialist experience working in the dental sector. It sounds obvious, but according to feedback from the dental solicitors that we work with, as many as 50% of practices are typically sold without an agent. This is staggering when you consider the array of potential pitfalls that can occur (all of which can increase the risk of an aborted sale). With an agent at your side navigating you through the intricacies of the transaction, you can optimise your chances of achieving a straightforward, successful sale and appropriate sale price.

The approach of the agent can make a huge difference to the outcome. This is because one that is proactive rather than reactive – in other words, working according to current trends and actively seeking data as oppose to responding to external pressures – will ensure that the transaction is true to the market. The transaction is therefore more likely to succeed and gain more interest from potential buyers, which would likely not be the case were a reactive approach taken.

Indeed, only by analysing the available data and keeping constantly up to date with market trends can an agency hope to provide an accurate valuation that will generate competition and ignite a positive response from buyers. True, an inflated valuation (a valuation that is above the average market values) might appear more inviting at first glance, as there's the prospect of walking away with more money. But in the long run, opting for a higher valuation than the market can support would be damaging to the value of the business, and you wouldn't achieve the competition that you otherwise would have attracted if you'd marketed at a fair price. In the worst-case scenario, you would then have to accept an offer much lower than the actual market value, and it's simply not worth it.

At Dental Elite we are constantly seeking out and evaluating internal and external data to make sure our valuation calculations stay in line with current market trends and ensure that our clients have a triumphant sale. Thanks to this approach, we were able to successfully get over 125 sales over the line in 2017 – an estimated quarter of the total practices sold in the UK last year. Vendors can rest assured that we're on top of purchaser trends too and monitoring ongoing and potential issues that could have an impact on practice transactions.

The market is continuously evolving, after all, and over the last year we've identified several changes that have had – and will continue to have – an impact on practice sale values and outcomes. For instance, there's been a softening of the market due to various economic and recruitment issues that has affected competition and market interest. We are also beginning to see more defined regional differences between London and the South East, and the South West.

The reason why we've managed to stay ahead of the curve and ensure completion for our vendors is because we've been proactive in identifying how and why the market has changed. Plus, we have 3,800 actively engaged buyers (who have been in contact in the last twelve weeks) from a database in the region of 5,000, so we are well placed to find suitable purchasers for our vendors.

In an evolving marketplace it can be difficult to know how to navigate a sale, but with the help of an agency that is proactive and works hard to secure what is best for you, you are sure to achieve the best outcome possible.

For more information on Dental Elite visit www.dentalelite.co.uk, email info@dentalelite.co.uk or call 01788 545 900