

THE PROBE

Know your exits

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Posted by: The Probe 📅 16th April 2020

In a profession as demanding as dentistry it's easy to get bogged down with the 'here and now'. However, if you are to get the most from your career and beyond you must consider your future before it's too late to do anything about it. This is especially true if you are a principal as you also have your practice to think about. To walk away when and how you want to, you will need to carefully plan an exit strategy.

This means strategically exiting your business ownership in such a way that maximises benefits and minimises any potential negatives. As a practice principal, this involves getting the highest return from your practice without incurring problems along the way and with as little involvement from you as possible. Achieving that delicate balance will mean initiating your plan gradually over time.



Indeed, much like your career, an exit strategy is very much a marathon not a sprint. If you step back from the day to day running of the business too soon, start seeing fewer patients and generating less income, you could end up in a position where the value and goodwill of the practice depreciates if this income is not picked up by associates or dental therapists within your practice. If that were to happen, best case scenario would be that you receive below your desired price for your business. Though what you would also likely find is that the business is more difficult to sell; firstly because of a reduced interest from the potential pool of buyers and secondly because a business in decline is much harder to lend against.

For that reason, experts advise that an exit strategy is planned at least five years in advance, thus allowing you enough time to slowly reduce your clinical involvement in the practice and reassign your responsibilities to other team members. The added benefit, of course, if the practice can operate smoothly without you at the helm, is that the goodwill and value of the business is transferred to the brand. Your exit is therefore likely to be a lot less stressful than it would be if the practice reputation and success depended solely on you.

The other reason why a window of at least five years is recommended is that, in many cases, that's how long it can take to get one's affairs in order. There are an array of legal documents and financial records to prepare ahead of the selling process. Plus, this time gives you the opportunity to review and tweak staff policies, staff contracts and remuneration agreements to ensure everyone – including the future buyer – will benefit from the sale outcome and the goodwill of the practice is protected. Should any unexpected issues arise during these preparations, allowing five years will also ensure you have ample time to resolve them without any pressure or fear of deadlines. Even the slickest of operations experience unwelcome speed bumps now and again, so the longer you can give yourself to ensure you've covered every eventuality, the better.

Aside from that you will need to establish your goals and how you intend to execute your exit strategy, beginning with identifying who you wish to sell your business to – an associate/partner or external buyer. It's also important to consider whether you want to sell the practice outright or stay on part-time within a deferred consideration deal, because your decision can affect the way in which you market the practice and conduct the sale later on down the line. By being more assured and prepared you are more likely to get the outcome you desire; though there's a lot to be said for utilising the services of an expert team with experience in dental exit strategies and practice sales.

For several years, Dental Elite has been providing such a service and is renowned for its expert knowledge and distinct approach. With the team at your side you can rest assured that your exit strategy will be executed with no stone left unturned. You will benefit from a free practice healthcheck and valuation that will suggest ways in which you could maximise your business' potential. Again, the sooner you start the more time you will have to optimise operations and ensure you get the very best price for your business.

Exit planning isn't an exact science, but there are certain boxes that you have to tick to make sure your next move is successful. To make sure you're prepared, consider your strategy well in advance. If you don't know where to begin, a professional adviser will guide you along the right path.

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