Five Mistakes to avoid when selling your Dental Practice to a Corporate

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In the ever increasingly busy world of dental practice sales, we have noticed how there is a newcomer on a weekly basis claiming to be your new best buddy, tax advisor, selling agent, and “yes sign here and I will protect your interest and save your soul from the evil of corporate world.”

Here’s a thing, Corporates are not that evil, generally.

I became involved in dentistry 8 years ago and yes, I worked in the acquisitions side with several corporates, so I know what they want and how they operate.

When entering the Dental world I felt like Christopher Columbus when discovering a new world, or even better this reminded me of that day when my wife and I were in Grand Cayman, sitting on a boat and admiring the sea, but when we dived and started snorkelling we saw a world full of colours, with beautiful animals and fishes of different sizes and beauty, some looking friendly some rather scary.

Fast forward from the Caymans to planet Dentistry, and they are actually not that dissimilar.

During the years I have had the pleasure of meeting hundreds of dental principals up and down the Kingdom willing to sell their practices, and I know first-hand how this could be challenging and emotional, but also rewarding when following the correct steps with the right people helping you.

But you have to follow those steps! And you have to choose the right people to help you!
It can be potentially very very stressful!

If you like to cook, you will know that even something as easy as making a tiramisu (I know I am showing off my Italian origin and cooking skills here) could turn into a disastrous kitchen experience if you don't follow the correct steps in the recipe and don't buy the right ingredients.

With a tiramisu, the worst that could happen to you is that your guests never come to dinner again, but if we talk about your dental practice, then it could be a lot worse, with emotional and financial implications for you and your family.

So, if you can keep a secret, I will give you my very own golden tips from my many years of working in the sector.

There are 5 mistakes to avoid when selling to a Dental Corporate:

1. **Do it alone**

   Like it or not, all the greatest achievers have never done it alone, so if you want to achieve your goal, which is successfully selling your practice as smoothly as possible, always ask for professional help, someone that will help you with the valuation, even if it is a second opinion, get tips on negotiating your terms, and even help and suggest the best people for the legal and financial due diligence.

2. **Solicitor**

   Never consider the services of a solicitor or a firm with no experience with dental practice sales. It’s that simple. Occasionally I have experienced some Dental Principals going down the route of a solicitor who may be brilliant when purchasing your house, but could slow down the process of selling your practice, potentially increasing your legal fees or asking unnecessary or more than unnecessary due diligence documentations to complete, ending up wasting precious time.
3  **No clear exit plan**

You may want to take the money and sail into the sunshine, or you still have some degree of madness in you and want to open up a new practice, the choice is yours.

Consider accurately life after selling your practice to a corporate, as time after time I have met with principals without a clear idea on what to do after completion. You may own the property, so may be best to consider that a Corporate’s main interest is not buying your property, and it is also in your interest most times to keep the property, as the yield you generate as an independent trader is completely different from the yield you have once part of a large group.

Clearly you want to be the one setting your own plan, don’t let others tell you what to do.

Whether you are retiring, or want to capitalize, or want to continue working in the practice or wish to set up a new practice, consider your options prior to marketing your practice for sale and not during , and talk to a professional advisor who has helped others make the best choice before.

4  **Dental Sales Agency**

Well, if you want to utilize the services of a selling agent, I advise you to meet and speak with more than one, some will charge you a fee on completion, some others will charge the corporate buyer a fee, but this is almost irrelevant in the grand scheme of things, as you want to follow your gut and your brain when making the decision of what agent you want to represent you.

All I will advise you at this stage is that you want someone who has done it before, with a good reputation , ideally and preferably someone who has sold practices, bought practices and also managed dental practices. Help coming from every angles. Or the best accountancy and valuers firm that incorporate all the above qualities (That’s Samera!)
5 Inform all your staff.

Selling your practice is a very emotional and challenging time in any Dental Principal life’s.

Informing the staff is crucial in the selling process and this must be done at the appropriate time, especially when selling to a corporate. If the timing is wrong, it could create unnecessary stress and uncertainty amongst your loyal and faithful staff, and what if the sales does not complete? The risk is ending up with creating disruption and loss of trust and loss of revenue and more costs…..something you don’t want!

These are my pearls of wisdom in working in this sector for a good few years. If you are in the process of thinking of selling, I am more than happy to have a chat to see if I can help you with the big decision.

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For more information on selling your practice, visit www.sellingyourpractice.com and register on our website or call us on 0800 0147 647.