

How To Successfully Sell Your Practice



Selling a dental practice is a **significant decision**, and it can be a complicated process. There are many factors to consider, such as the value of the practice, the timing of the sale, and the legal and tax implications. It is crucial to take the time to understand these factors and make informed decisions to ensure a successful sale.

- There are several methods to value a dental practice, with each having its advantages and disadvantages. The most appropriate method will depend on the practice's unique circumstances. It's crucial for dental practice owners to know your dental practice's EBITDA -- and to know how you can boost the valuation of your dental practice and **sell at the highest potential price** to buyer including DSOs.
- Timing is an essential consideration when selling a dental practice. Plan ahead and allow enough time to prepare the practice for sale. This may involve making necessary repairs, upgrading equipment, and improving the practice's financials. It is also important to consider the current state of the dental industry and the local market and select/vet the right buyer.
- Selling a dental practice involves many legal and tax considerations. Work with a qualified attorney and Dental CPA who can help navigate these complexities. Some of the legal and tax considerations when selling a dental practice include:

Asset Allocation: Determining how the assets of the practice will be allocated between the buyer and seller.

Non-Compete Agreements: Restricting the seller from competing with the buyer after the sale.

Tax Implications: Understanding the tax implications of the sale, including capital gains taxes, depreciation recapture, and state taxes.

PREPARING YOUR PRACTICE FOR SALE

Preparing your practice for sale is a critical step in the process. Buyers want to purchase a dental practice that is well-organized, profitable, and has a strong patient base. Here are some steps you can take to prepare your practice for sale:

- Make sure your financial records are up-to-date and accurate. This will help you determine the true value of your practice and give potential buyers confidence in your business.
- Consider the demographics of your patient base and any trends in patient retention. This information can be valuable to potential buyers.
- A well-maintained and updated physical space can be appealing to potential buyers. Consider making necessary repairs and updates to equipment, furniture, and decor.
- Review any contracts or agreements that may impact the sale, such as lease agreements or service contracts.
- A strong team can make your practice more appealing to buyers. Invest in your staff and ensure they are well-trained and motivated.
- Selling a dental practice can be a complex process, but with careful planning and consideration, it can be a rewarding experience. As you prepare to sell your practice, it is important to understand the various factors that impact the sale, such as valuation methods, timing, marketing, legal and tax considerations, and protecting your practice.

Working with a qualified team of professionals can help ensure a successful sale!

By preparing your practice for sale, you can maximize its value and provide a smooth transition for your patients and staff.