



## PRACTICE TRANSITIONS

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### CLIENT CASE STUDY

# Dentist Achieves Work-Life Balance and Improves His Financial Standing

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## THE CLIENT

Dr. S. is an excellent dentist in his mid-40s who has a thriving practice doing \$1.5MM in revenue and growing. He loved the clinical work, but he was tired of the hassle of running a practice while also trying to spend time with his family. He wanted to get out of the day-to-day aspects of running the practice but did not want to give up his practice. It was in the neighborhood where his family lived, he had bought and grown it, and it was part of his identity and happiness.

## THE PROBLEM

Although the practice benefitted from a sizable annual revenue, Dr. S felt that if he did not take the burden of running the practice off his back, there was a good chance things could enter into decline. He was tired of keeping up the day-to-day both at the practice and at home. He felt that either his family or the practice would suffer soon if he didn't find a different path.

Dr. S. considered his options. One option was to sell his practice to another dentist, pay off all of his debt, put some money in the bank, and go find a job at another practice. If he did that, he would no longer be able to practice in his neighborhood, he would have a long commute to a new job, and he couldn't save as much money as he'd like to at this age. This also would not solve the issue of work/life balance, which he wanted to achieve.

## OUR APPROACH

Using their extensive network in the industry, Practice Transitions Group, shopped Dr. S's practice to various groups interested in partnering with doctors like him. PTG set up meetings with Dr. S and the group teams so they could get to know each other. The financial aspect of the transaction was important, but trust was just as important given Dr. S's desire to continue working at his practice for another 15 to 20 years.

## CHALLENGES

Dr. S's stress of running the practice and being with his family had taken its toll in the operations of the business. He was significantly behind on bookkeeping, his patient management software was not accurate or up to date, and he had many inconsistent systems in place.

## RESULTS

Practice Transitions Group helped Dr. S sell his business to a Dental Service Organization (DSO) that saw his reputation and the potential of his location. He received a large offer for his business and was able to roll \$250,000 of the equity from his practice into the DSO's parent company, which could be worth between \$1 million to \$2 million when the DSO refinances at a new valuation at a later date. Additionally, Dr. S received an excellent associate dentist contract with the DSO, which allowed him to continue operating at his practice and providing service to his patients. He also will receive support from the DSO in learning new technologies, peer collaboration, insurance claims, and marketing. He was able to keep the same name in the practice, which is growing. He also paid off his consumer debt and practice debt.

Perhaps the best aspect of this deal for Dr. S. is that his patients and peers don't know he sold part of his practice. He was able to protect his identity and his staff's jobs while becoming part of a great dental group that supports him. Initially, his income took a hit due to him not taking any profit distributions, but he was able to quickly get back to his normal income level because he was a more productive dentist in the practice. He has improved his work-life balance and can enjoy more time with his family. Practice Transitions Group did more than just find a good buyer for the business; they helped Dr. S. live a more fulfilling life.

This made the diligence process tough and stressful on both the buyer and seller. Practice Transitions Group was there to iron it all out and get questions answered for both sides so that Dr. S was able to know what he was selling and the potential buyers knew what they were buying.

## THE SOLUTION

Practice Transitions Group helped Dr.S find the perfect solution. They repackaged his financials to show how profitable the practice could be to a group practice that had systems in place, and PTG identified areas in which the practice could grow. They also made a list of every item and aspect of the deal that was important to Dr. S for his potential partnership with a group practice. With these on the table up front, expectations could be managed on both sides of the deal.

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