



PRACTICE TRANSITIONS

CLIENT CASE STUDY

Dentist Gets to Keep Practicing and Gain Retirement Financial Security Too

THE CLIENT

Dr. T and his wife operated a dental practice in San Antonio, TX. He was the dentist and his wife served as the office manager. As he approached his mid-60s, he considered the path toward his retirement. Although he still had a few years left in his career, he wanted to create an exit strategy for his wife to retire as soon as possible.

The couple's practice occupied a freestanding building in a desirable part of town, which Dr. T felt positioned him for a good sale. He called on Practice Transitions Group to seek advice on what his options were. We developed a plan that would meet both his short-term needs while also securing a fruitful retirement for the two of them.

THE PROBLEM

If Dr. T's wife retired, he knew he'd have to hire an office manager to take her place. He was not at a point in his career where he wanted to deal with the headache of training a new office manager, and all the risks that came along with it. Dr. T had planned fairly well for retirement but he did know that he had significant equity tied up in his practice. His thought was that the longer he waited to sell the more risk he was taking that the practice value could decrease over the remainder of his career which in turn would hurt his equity in the practice and building. Selling it immediately would put him out of work many years before he wanted to leave the dental profession.

OUR APPROACH

Practice Transitions Group's first step was to put together an attractive and accurate sales presentation to market the dental practice. We shopped the practice to multiple leading DSOs to drive the value of the practice up and to make sure Dr. T was able to find the DSO that fit his timeline and personality best.

By soliciting offers from multiple DSOs, this enabled us to generate the highest possible competitive bid. Furthermore, we sought buyers who would be interested in leasing the building from Dr. T. and his wife.

CHALLENGES

Retirement planning is an emotionally stressful topic for anyone, especially a dentist in the golden years of his career. Dr. T was contemplating when and how to achieve his ideal path to retirement. With little room for error, Dr. T and his wife had to align their goals so that he could continue his practice while she gracefully left the business on her schedule.

We carefully explained the multiple options available for their transition, answered as many questions as possible, and guided them toward a plan that could generate additional revenue to support their long-term plans.

THE SOLUTION

Practice Transitions Group explored four possible options for an exit strategy with Dr. T and his wife. Dr. T and his wife decided upon a package that included the following elements:

- Selling the practice to a Dental Service Organization (DSO) at the highest price possible.
- Keeping the building for now while leasing it to the eventual buyer, which provides monthly income, the future option to sell, and decouples the practice asset from the real estate asset: a strategy that typically leads to higher values for both.
- Re-platting unused land that is adjacent to the building to sell at a later date.

RESULTS

Dr. T. and his wife were able to benefit from the strategic thinking and options delivered by the practice brokerage experts at Practice Transitions Group. The final outcome resulted in:

- Dr. T received multiple offers and chose the DSO that he felt fit best with the practice and his desired transition period.
- The practice sold for more than Dr. T had believed the practice was worth and more than an individual doctor would have paid for it.
- The revenue generated by the sale of the practice enabled Dr. T. and his wife to achieve their goals:
 - He was able to continue working in his practice with the same staff, and patients for as long as he wanted.
 - His wife was able to immediately and comfortably retire.
 - Leasing the building to the purchasing DSO gave Dr. T and his wife an additional source of monthly income for a high-credit tenant.
 - The lease to a high-credit tenant increased the value of the building by 20% should the doctor want to sell it.
 - The sale of the dental practice and the lease and future sale of the building is estimated to be worth a total of nearly \$2 million.

Beyond obtaining the best financial outcome, we are committed to ensuring the long-term success and legacy of each practice we work with. We approach every transaction with a genuine desire to understand our client's goals, crafting deals that align with their vision for the future. Then, we lead all aspects of the sale or partnership. With a team that combines expertise in financial analysis, marketing strategies, and sell-side negotiations, we execute successful, profitable transactions for our clients