



## PRACTICE TRANSITIONS

### CLIENT CASE STUDY

# Highly Successful Dentist Transitions from Practice After Life-Changing Injury

## INTRODUCTION

Doctor X had a large, sophisticated dental practice that performed high-end and specialized dental procedures on a fee-for-service basis. Her well-established practice was located in an affluent part of Austin and consisted of two associate dentists and several hygienists. Nationally, Dr. X was considered a leader in her field and was a widely sought-after speaker and trainer. Dr. X and her husband spent the greater part of their time nurturing the business and Dr. X's nationwide exposure. The two of them were living comfortably with a highly successful practice. Dr. X's practice generated considerable revenue - in the top ½% of dental practices nationally.

## CHALLENGE

In a tragic twist of events, Dr. X suffered a traumatic spinal injury that made it impossible for her to continue her career. As news of the accident began to spread, her associates and hygienists started to leave the practice, and it appeared that her practice would decline. If not handled properly, the practice might sell for only one-quarter of its original value. If that happened, Dr. X would only receive enough money from the sale to pay her debts, with nothing left to show for her years of hard work.

## OUR APPROACH

Because Dr. X was unable to work and facing a radical surgical procedure, she needed the sale to be quick and as pain-free as possible. Practice Transitions Group knew the buyer pool could be limited and decided to mass-market the practice nationwide to reach a larger buyer pool. Ideally, that significant marketing reach would help identify someone who could take on the demands of Dr. X's practice. Additionally, Practice Transitions Group used their expertise to find a lender to finance the transaction which was not an easy task given the decline the practice was experiencing.

## ROADBLOCK

Marketing started in October with only two months to make a quick sale before the winter holidays set in and buyers' appetites dwindled. Finding a buyer who had the balance sheet to purchase something this large, take on the overhead of this magnitude, have the clinical skills to perform the procedures, and have the experience to hire and manage a staff of this size is a needle in a haystack. Coupling that with the timeframe made this a stressful and exponentially difficult task. Practice Transitions Group also had to work against the potential that buyers may use Dr. X's injury to negatively negotiate against the full value of the practice.

PTG prepared for that possibility by highlighting the past success of the practice, its specialized and high-end cosmetic procedures, and the value of the location. Throughout this process, they carefully advised Dr. X.

## SOLUTION

The successful sale of this specialized dental practice hinged on identifying an exceptional buyer who possessed the necessary resources to acquire and manage it effectively. Specifically, the right buyer would need to have both the capacity to purchase and operate a large cosmetic dental practice, as well as the advanced dental skills to perform the work previously done by Dr. X. Additionally, they would require astute business acumen to swiftly hire new associates and hygienists to replace the departed team.

## RESULTS

The Practice Transitions Group team located an older dentist from out of state who possessed the specialized skills required to follow on with Dr. X's work. He had recently sold his practice and had cash on hand and the ability to qualify for a loan. He was eager to relocate to Austin and start a new practice in a highly desirable location.

Negotiations were tough - he initially submitted a lowball offer. Practice Transitions Group kept negotiating and ultimately settled for a price that was 20% higher than originally expected. More importantly, Dr. X was able to hand her practice off to someone she trusted and shift her focus to her health.

From marketing to sale to closing, the entire process was quickly completed in just over two months, with the closing occurring on New Year's Eve. Dr. X was able to successfully transition out of the practice and pursue a new life in recovery.

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.

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