



## PRACTICE TRANSITIONS

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### CLIENT CASE STUDY

# Retiring Dentist Signs Ideal Contract With DSO and Achieves Financial Freedom

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## INTRODUCTION

Dr. B spent over 25 years building and growing his private practice. With retirement in sight, he looked around and saw a legacy — he loved his staff, the doctors he brought in, and the patients he served. Dr. B had grown from being a solo practitioner into a true entrepreneur; over time, he grew his employees and increased his offerings until it had become a well-known and highly-rated family and cosmetic dentistry practice.

Dr. B was not ready to leave dentistry — or hand over the well-being of his staff or patients to someone else but he wanted to begin stepping back from management responsibilities and begin investing in other practices that would generate revenue after he retired.

At first, the buyout seemed like a lottery ticket. Dr. B went as far as to sign an exclusive with the DSO, agreeing not to shop his practice around for other offers, and all but committing to sell. But as he sat with the offer, he knew it did not provide what he really wanted — the ability to continue practicing while having equity in other practices and a sense of making a strategic transition.

When Dr. B thought through options other than selling to the DSO on his own, he could not come to a solution. An associate would not have the cash to purchase a practice the size of Dr. B's and his hands were tied by the exclusivity agreement if another offer came in. The gap between what he wanted and what was being offered kept him up at night. Like many other dentists, practice sales was not what Dr. B spent all day doing — he was an expert at practicing dentistry and running his clinic — but negotiating a multimillion-dollar deal was a foreign arena and the wrong move could put his future in jeopardy. There was a lot at stake.



In the midst of repeatedly walking through the decision in his mind, a friend referred Dr. B to an advisory company that, like the DSO, had a national presence and seemed like an authority in practice sales. He started talking to a consultant there and even shared his financials, but when push came to shove, his questions were not getting answered and the company took its time to get back to him. Put simply, Dr. B was not a priority, and with the clock ticking on his exclusivity agreement with the DSO, he did not have time to waste.

Dr. B found Practice Transitions Group (PTG) through its website as he began searching for someone to help walk him through this monumental decision. He reached out to the team and talked with them about what it would look like for PTG to represent him through the sale — either in negotiation with the DSO or someone else. As PTG shared the offers it secured for other clients, and Dr. B reflected on how productive his practice was, Dr. B began to see why he had felt unease at the earlier deal and what was missing — he wanted a partnership and that had been missing in the process.

## CHALLENGE

PTG's task would not be simple. The DSO had made Dr. B a cash offer amounting to 120% of his revenue. Dr. B wanted the comfort and peace of mind an advisor would provide, but also he wanted a better offer that offered partnership.

## OUR APPROACH

Over the next few months, the exclusivity agreement with the DSO expired and Dr. B's relationship with the advisory company fizzled out. But PTG kept picking up the phone when Dr. B called and continued to answer nuanced questions and offer its opinion when asked. PTG gave the advice that it shared with many of its transition clients — wealth and retirement is too big of a decision to only look at one offer. Clients should always see what is out there and let PTG get more offers because not every DSO is created equally. Dr. B took his time building a rapport with PTG throughout the fall, and he began to see that they were 100% committed to representing his interests. His PTG advisor listened to him and was competent and knowledgeable. Dr. B walked away from each conversation with a little less fear and a little more peace. Ultimately, Dr. B's PTG advisor kept doing what he said he would and that built a sense of calm, trust, and credibility in a process that had previously been stressful and unclear. By the time the holidays rolled around, the sleepless nights were over. Dr. B knew what he wanted and he was actually excited about what was to come.

## ROADBLOCK

PTG and Dr. B signed an agreement early the next year and had a kickoff call that included the PTG advisor along with a dedicated financial team that included a CPA and manager of due diligence. Within three months, PTG brought five offers to Dr. B — all of which included different cash, equity, and bonus options.

## SOLUTION

PTG and Dr. B signed an agreement early the next year and had a kickoff call that included the PTG advisor along with a dedicated financial team that included a CPA and manager of due diligence. Within three months, PTG brought five offers to Dr. B — all of which included different cash, equity, and bonus options.

## RESULTS

By the spring, Dr. B was under contract with a different DSO that offered him \$1 million more than the original offer in cash up front, a payout over the next handful of years that acted like a bonus for continuing a productive practice, and another \$1 million in equity. In addition, Dr. B had the opportunity to be an ambassador for the DSO and earn commissions from referrals.

The DSO partner also took a lot of the front office responsibilities off Dr. B's plate — from payroll to compliance to recruiting. The DSO is managing it all while Dr. B gets to focus on patient care, a luxury in the last five years of his career.

Dr. B walked away from the process with zero regrets. He was confident that he made the best decision for his family, his office, and his future. He got a great offer and formed a true partnership.

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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