



PRACTICE TRANSITIONS

CLIENT CASE STUDY

From Pandemic Setback to Prosperity: Dr. L's Practice Transitions Success Story

INTRODUCTION

Dr. L lived the American dream by establishing a thriving dental practice with nine locations in the Houston area. As time went on, she expanded into children's dentistry and honed her ability to communicate effectively with young patients, extending her services to include braces as a general dentist. After a few more years, Dr. L grew her practice to accept Medicare, enhancing the quality of life for patients of all ages.

Recognizing the potential for further growth with nine offices, Dr. L acknowledged the need to elevate her practice to a higher standard. She understood the limitations of her current approach and sought help in realizing her aspirations. With an eye on the future, she understood the need for a practice transitions expert who could elevate her standards even further. This led her to reach out to Practice Transitions Group (PTG).

CHALLENGE

Dr. L discovered PTG through an online search but wanted assurances that it would be the right fit for her needs, as she was not referred. While Dr. L was eager to make a sale, she had specific requirements and priorities. She aimed to sell to a large DSO that would ensure the well-being of her staff and maintain high-quality care for her patients.

OUR APPROACH

Thomas Allen from PTG got to work, diving into the study of Dr. L's practice. Managing nine distinct locations, each with its landlord proved to be no small feat. Alongside his research, Thomas also presented Dr. L with examples of past deals to showcase the achievements of him and his team. Dr. L, impressed with PTG's efficiency and teamwork, agreed to work with them.

ROADBLOCK

In February 2020, Dr. L committed to working with PTG. The COVID-19 pandemic loomed, and within just a few months, she was forced to shut down her practices. Instead of offering them on the market as a fire sale, Thomas saw this time as an opportunity presented by the pandemic for Dr. L to dedicate time to tightening her financial paperwork and solidifying next steps. Meanwhile, the PTG team actively worked on refining the numbers and making them more robust for potential buyers.

After Dr. L reopened, patients were slow to schedule appointments, and state-imposed restrictions presented challenges in streamlining the process across her 9 offices and 20 doctors in the area. Dr. L primarily saw Medicaid populations and children, which impacted her recovery. The families she served encountered numerous obstacles in returning to the dental office. Throughout all of this, Dr. L exerted extra effort to maintain the operation of her offices, even going as far as rotating between them to ensure her patients received the treatment they needed.

SOLUTION

By early 2021, Dr. L's practice rebounded and produced incredible profits. Thomas demonstrated the potential for recovery, securing the best price. He highlighted the demographics, assessed the locations, identified growth opportunities, pinpointed weaknesses in the business, and proposed ways to enhance them while sharing the business story. This approach created the most value and ultimately resulted in the best deal for Dr. L. As Dr. L focused on her practice, Thomas actively lined up buyers for her. He filtered through them, took note of their preferences, and advised Dr. L on the ones he recommended. Thomas streamlined the process for Dr. L with thorough reports while outlining the pros and cons.

RESULTS

During her practice transitions journey, Dr. L received multiple offers and could choose between deal structures - equity or remaining as a practitioner in her group. Ultimately, Thomas negotiated an enterprise value that surpassed the listing price, and she opted for an all-cash deal. Dr. L took pride in receiving offers from some of the largest DSOs in the country and feels content knowing her staff and patients are in capable hands. Meanwhile, Thomas felt confident that we achieved the highest valuations for Dr. L's practice, based on the way he packaged and positioned the deal.

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.

Call us at (512) 761-7101 or send us an email at info@PracticeTransitionsGroup.com