



## PRACTICE TRANSITIONS

### CLIENT CASE STUDY

# Navigating Valuation Challenges: PTG's Strategic Approach Leads to Successful Dental Transition in Texas

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## INTRODUCTION

When Thomas Allen first met Dr. H through a dental supply representative, he was excited to advise a longstanding practice, situated in a thriving suburb of Austin with a strong and loyal patient base. However, there were intense challenges that lie ahead. Along with the Practice Transitions Group (PTG) team, Thomas was excited about securing the best deal possible for the doctor.

## CHALLENGE

- **Realistic Valuation:** Initially, Dr. H had an overly optimistic view of the value of his practice and real estate. He had heard from colleagues that dental practices could receive high valuations. While this can be true, Dr. H's practice didn't have the revenue to command such returns. This overestimation led to a temporary standstill in the negotiations. Despite seeking advice from his accountant, Dr. H hesitated to adjust the price he wanted for the market's comparables (comps)
- **Trust and Communication:** Building trust between Dr. H and the PTG team was crucial for effective collaboration. Dr. H's initial reluctance to acknowledge market realities posed a challenge, prolonging the sale process.
- **Efficient Marketing and Reporting:** Organizational hurdles with data management caused reporting delays, impacting the pace of marketing efforts. Progress was restricted after the initial kickoff call, largely due to data-related inconsistencies.

## OUR APPROACH

- **Focused Buyer Search:** Recognizing the potential value of the practice within the Austin suburb demographic, PTG zeroed in on finding a buyer who could cater to the local population.
- **Robust Marketing Campaigns:** Despite early challenges, PTG's dedicated marketing endeavors ultimately generated impressive results, attracting a substantial pool of nearly 100 potential buyers within months. The team successfully identified buyers not only on Dental Town but also on the PTG website and through targeted email campaigns.
- **Negotiation:** PTG maintained transparent communication with Dr. H, compiling a comprehensive list of interested buyers to showcase the substantial demand for the practice.

## ROADBLOCK

At a certain point, PTG maintained an extensive list of nearly 100 qualified prospective buyers, indicating substantial interest. Thomas conveyed this information to Dr. H, informing him about the necessary broker's fee in case a successful transaction with any of the potential buyers materialized.

It was at this moment that Dr. H comprehended and gained an appreciation for the dedication of the PTG team. This newfound awareness prompted him to acknowledge the substantial appeal of his practice and become more receptive to Thomas' insights.

## SOLUTION

Ultimately, PTG orchestrated a successful sale to a pair of business partners eager to establish their dentistry practice in the booming Austin suburb. The buyer's background in dentistry smoothed the transition, ensuring Dr. H's exit from the practice was seamless and successful.

## RESULTS

In the face of initial challenges stemming from Dr. H's initial valuation and concerns, PTG's strategic approach led to success in this Texas dental transition. By attracting the ideal buyer and displaying unwavering persistence throughout the process, PTG highlighted the power of effective negotiation and market expertise in healthcare practice transactions. The new owners now have the reins to run the practice their way, while Dr. H steps back, proud of what he accomplished with a career in dentistry.

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](mailto:info@PracticeTransitionsGroup.com)