



PRACTICE TRANSITIONS

CLIENT CASE STUDY

Unlocking Success: Practice Transitions Group Guides Dr. R and Dr. K to Unprecedented Heights in Dental Practice Sale, Paving the Way for a Life-Changing Transition

INTRODUCTION

Dr. R and Dr. K co-founded a general dentistry practice in the Texas Hill Country with a vision of creating a family-focused practice that served patients of all ages. Over a dozen years, their practice grew and they even opened a second location, becoming a pillar in their communities for comprehensive general dentistry. As the practice expanded, so did the complexities of managing a growing team and diverse patient base. Additionally, the challenges of 2020 added another layer of complexity.

After reflecting, Dr. R and Dr. K realized that, because of the demands of their personal lives and professional resource limitations, they had taken the practice as far as they could. They knew it was time to partner with a larger group that could take the practices to the next level.

After making this decision, Dr. R and Dr. K turned to Thomas Allen, founder of Practice Transitions Group, and also a trusted partner in their dental real estate journey. They considered other brokers but were drawn to Thomas because of his industry experience, track record, and transparency. The doctors expressed that they wanted to step back from day-to-day operations as soon as possible and focus on spending more time with their young children.

CHALLENGE

Thomas knew that finding a private equity (PE) buyer who was open to paying a premium market value on a walk-away type deal would be difficult. He spent time carefully considering Dr. R and Dr. K's needs.

Initially, the market didn't match the price the doctors were hoping for, but Thomas maintained regular communication and provided updates every six to eight months.

Eventually, Dr. R and Dr. K were able to get to the place in their practices where, if positioned correctly, they could command top-of-market pricing. With the market also showing positive changes, the likelihood of a partnership that met their goals became more promising.

OUR APPROACH

Thomas' experience and knowledge of the PE market was key. He gave Dr. R and Dr. K a realistic outlook on what they could expect, identifying potential buyers from reputable, private equity-backed groups. This ensured that the practices would be entrusted to capable and trusted hands.

Thomas provided clear and realistic expectations from the jump, which was important while navigating the ups and downs of the emotional transitions process.

PTG implemented its tried-and-true approach, drawing on its extensive experience in selling over 100 practices to DSOs. This entailed highlighting the practices' strengths and addressing any potential weaknesses to maximize the practices' value.

ROADBLOCK

At a certain point, it was noticed that Dr. R and Dr. K were out of active clinical practice, relying primarily on three full-time associates. This meant that the team needed to persuade potential buyers to commit to the process but without bringing in associates. PTG knew it was until the deal was nearing finalization.

The PTG team focused on instilling confidence in the buyers regarding the associates' long-term commitment and capabilities, proving that Dr. R and Dr. K were not needed to lead the practice.

SOLUTION

Five firm offers were received from respected, private equity-backed groups, aligning with Thomas' initial predictions. The top offer exceeded expectations, allowing Dr. R and Dr. K to walk away and achieve their desired level of personal and financial freedom. Ultimately, the partner they selected also aligned most closely with their vision for the practice.

The entire process, from listing to closing, took six months, which was considered fast for a practice sale of this magnitude. Dr. R and Dr. K's desired walk-away deal exceeded all of their expectations. They received multiple offers, all from well-regarded private equity-backed groups, with the highest offer surpassing the second-place bid by a substantial margin.

Thomas and the team left no stone unturned, offering support throughout the journey. From evaluating every layer of the offers to addressing potential challenges, they were proactive in their approach. Their preparedness and attention to detail gave the buyers the confidence they needed, assuring them that they were making informed decisions.

RESULTS

Dr. K and Dr. R were pleased with the final offer, as it not only met their financial expectations but also checked all the boxes in terms of their vision for the future of the practice. The doctors described the transition as life-changing, allowing them the freedom to step away from day-to-day management and focus on the aspects of dentistry they are most passionate about.

Six months after the transition, the practice has experienced positive growth, with associates showing improved productivity and ambition. The transition has been smooth for both staff and patients. The financial outcome the doctors received allowed them to embark on new adventures, including travel and quality time with their family.

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