



PRACTICE TRANSITIONS

CLIENT CASE STUDY

From Managing Staff to Managing Wealth: A Dental Transition Success Story

For Dr. P, a second-generation dentist in New England, running his \$3.6M practice had become increasingly complex. After decades of ownership, including taking over from his father who still practiced part-time at age 87, he found himself ready for a change.

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"I didn't mind doing dentistry," he reflected, "but I was done with managing the practice." Like many practice owners, he had reached a point where the administrative burden was overshadowing his passion for patient care.

THE CHALLENGE

Dr. P faced several challenges common to long-established practices:

- A legacy staff with above-market compensation
- Complex family dynamics with the previous owner
- A high-producing associate who was crucial to the practice
- Uncertainty about practice valuation and transition options

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"I knew it was time to sell," Dr. P noted, "but I had no idea how that process worked."

FINDING THE RIGHT PATH FORWARD

When initially approached by a dental service organization (DSO), Dr. P was uncertain about the offer's fairness and hesitant about the proposed structure.

Through a professional referral, he connected with Practice Transitions Group to explore his options.

Our team quickly recognized that while DSO interest provided leverage, the practice's unique characteristics - including its staffing structure and profitability metrics - meant a traditional DSO sale might not maximize value for Dr. P.

CREATING A WIN-WIN SOLUTION

By understanding Dr. P's priorities - which included maintaining practice legacy and achieving specific financial goals - we developed a strategy that:

1. Leveraged market interest to create urgency
2. Structured a deal that benefited both seller and buyer
3. Achieved a final sale price of \$3.6M
4. Provided more immediate cash than a typical DSO transaction
5. Allowed for a gradual transition timeline

THE RESULT: FROM ANXIETY TO ACHIEVEMENT

The successful sale transformed Dr. P's daily reality. Instead of worrying about staff management and administrative headaches, his post-sale concerns shifted to wealth management and retirement planning.

Key outcomes included:

- Achieved target valuation
- Maintained practice legacy through internal transition
- Reduced administrative burden while continuing clinical work
- Secured retirement planning goals
- Preserved positive relationships with staff and patients

LESSONS FOR PRACTICE OWNERS

This transition highlights several key insights for practice owners considering a sale:

1. Market value often exceeds initial offers from direct buyers
2. Internal sales can provide both financial and cultural benefits
3. Professional guidance can help navigate complex dynamics
4. Early planning allows for optimal timing and terms
5. The right structure can balance financial and lifestyle goals

For practice owners feeling the weight of management responsibilities while wanting to preserve their legacy, there are options. The key is finding the right partner to help navigate the journey from practice management to wealth management.

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