

Getting the value

Sometimes, when I speak to Principals, they ask: "Please can you find me a buyer for my dental practice?" Sometimes, they ask, "What do you do for your fee?"

In our business, the true definition of a buyer is a person(s) or organisation that hands over an agreed sum of money as the deal is legally completed. I have a database of several thousand prospective buyers. Many of them will buy a practice one day. Some of them will buy more than one practice. And an as yet unknown number will never buy a dental practice. But, interestingly, when I am asked to 'find a buyer,' I think people often visualise a person(s) or organisation that is a long way from reaching our definition of a buyer.

In this article, I want to share more about what dentists can expect from a good dental broker and what they might be doing for their fee. This is not intended to be a highly detailed description of every step in the process.

In essence, we project manage the sale. We plan the sale process and organise the work of all those involved in it.

Open mindset

We coach and advise on the emotional mindset required to get a deal to completion. This is a business transaction. You will be seeing commentary and negotiating positions based simply on money (£) which you will undoubtedly feel does not fully reflect the value of your practice. We will provide perspective at all stages of

the process to help Principals retain that healthy open mindset.

Valuation

We will provide a go to market valuation with all the supporting rationale for the conclusions we have drawn. We will apply our own market intelligence as well as information drawn from other relevant sources. A practice has to be valued to reflect the market to make it interesting to prospective buyers. If our market valuation does not meet the vendor's expectations or requirements, then we have to consider what remedial action can be taken and what the timescales are to take the practice to the market. It could mean a delay of years in some cases.

Finding a buyer

Finding a buyer is not the same as finding the ideal buyer. We have spent years vigorously gathering the details of everyone and every organisation who is interested in purchasing a practice. GDPR regulations that became law in May 2018 make it impossible for new organisations to compile that information from scratch. We take our practices to the entire market in a confidential way. We do not have a 'black book' of buyers. We do not just 'flip' practices to corporates. This is the only way to find the ideal buyer for a practice.

Along the way we will find several parties who want to buy the practice but we are not looking for them. We are looking for the ideal buyer, who will buy the practice. One way I can guarantee a Principal will not

find the ideal buyer is by working with an organisation who takes fees from the buyer and represents the buyer. Only work with brokers who you pay and who represent you. This is a subject in itself which I am happy to discuss with anyone.

Negotiating a deal

The focus is on leveraging interested parties to get the best deal with the best terms that are aligned to the vendor's objectives. I take calls from Principals regularly who have found buyers themselves who turn out not to be ideal buyers. Their buyers delay, they don't have the funds, they make unreasonable demands, etc, etc. We advise our clients what a good deal looks like for them in the current market. We want our clients to make informed decisions that work for them.

Ongoing negotiations

When a deal is agreed, the purchaser and their representatives get the chance to drill into all the details of the practice. This is where they undertake their 'due diligence' to satisfy themselves and their lenders that what they are buying is what they think they were buying and that the amount they are paying stacks up.

Our role is to hold the purchaser to their offer or renegotiate on your behalf in the event genuine issues arise, which will affect the goodwill. We will also work with both parties to mitigate any identifiable risks. Re-negotiating the prices is often not necessary to resolve an issue.

It is a 90-minute game

Business time between agreeing a deal and completing is variable. If the price is aligned with the market and enough time is allowed to get a result, then all transactions should complete. The main exception to this rule is some corporates who withdraw from deals with no notice because it is part of a wider restructure or refocus. We have examples where practices are sold within a couple and weeks and some which take two years.

What do we do for our fee?

Forget about all the milestones I have just shared. It is widely agreed that vendors sacrifice 20%-30% of the value of their business when they do not go to the entire market and negotiate their own sale. It makes sense: most Principals are not trained business sellers and private buyers are often trained buyers. If a dental practice is worth £800,000 and you agree a sale 20% off the full market price, because you have no comparable data and no one representing you, then you are giving the buyer a discount of £160,000. If your broker can secure the ideal buyer who will pay the full £800,000, then they will deliver an ROI in the region of seven times the fee they charged you. Hence the adage, focus on the value and not the cost. ■

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The power of momentum in marketing your dental practice

Maintaining momentum in your marketing efforts is not just beneficial; it is essential for long-term success. In this context, momentum refers to the consistent effort and progress in your marketing strategies. It involves regular outreach, ongoing engagement with your patients, and the pursuit of new opportunities. Here's why maintaining momentum can significantly impact the growth of your practice:

1. Building and maintaining brand awareness

Momentum in marketing ensures that your name remains visible and top-of-mind for both potential and existing patients. In the highly competitive dental industry, being easily recognisable and memorable can set you apart from other practices. Regular marketing activities, such as social media updates, email newsletters, and community events, keep your practice in the public eye. When patients need dental services, they will think of your practice first if they have been consistently reminded of your presence and expertise.

2. Establishing trust and credibility

Regular and reliable marketing communication helps build trust and credibility with your patients, who are more likely to choose a dental practice that they perceive as stable and reputable. By maintaining a steady flow of helpful content, such as educational blog posts, patient testimonials, and informative videos,

you can demonstrate your commitment to patient care and education. This consistency reassures potential patients that your practice is trustworthy and reliable, ultimately driving more appointments and referrals.

3. Enhancing patient engagement

Engagement is a key factor in patient retention and satisfaction. Momentum in your marketing efforts means your patients will feel connected to your practice. Regular interaction through social media, personalised emails, and follow-up calls creates a sense of community and loyalty. Engaged patients are more likely to return for regular check-ups, follow through with treatment plans, and recommend your practice to their friends and family. This ongoing engagement helps to foster long-term relationships that are crucial for the growth of your practice.

4. Staying ahead of competitors

Standing still is not an option in the competitive dental industry. Your competitors are likely working hard to attract and retain patients, so you must strive to stay ahead. Momentum in marketing keeps your strategies fresh and adaptive to changing trends and patient needs. By regularly analysing your marketing performance and adjusting your tactics accordingly, you can take advantage of new opportunities and address potential risks before they impact your practice.

5. Maximising ROI

Marketing momentum is key to maximising your Return On Investment (ROI). Sporadic

or one-off marketing efforts often fail to generate significant results because they do not build the necessary awareness or trust, whereas sustained marketing efforts compound over time, leading to increased recognition, patient loyalty and, ultimately, higher revenue. Consistent marketing allows you to fine-tune your game plan based on real-time feedback and performance metrics, ensuring that your marketing budget is used effectively and efficiently.

6. Adapting to market changes

Like any other industry, dentistry is subject to changes and trends. Momentum in marketing enables you to stay responsive to these shifts – whether it's the adoption of new technologies, changes in patient behaviour, or new industry trends. By staying informed and proactive, you can leverage these changes to your advantage, ensuring that your practice leads the way.

7. Driving continuous growth

Stagnation can lead to complacency, which is detrimental to any business. By maintaining a steady pace of marketing, you can build up a network of potential patients. This continuous effort helps build a strong and adaptable practice that can handle market changes.

Strategies to maintain marketing momentum

Content calendar: Develop a content calendar to plan and schedule your marketing activities in advance. This ensures

consistency and allows you to strategically align your plans with key dates and events.

Automation tools: Use marketing automation tools to streamline repetitive tasks such as email campaigns, social media posts, and follow-up communications. This also helps maintain consistency without overwhelming your team.

Performance monitoring: Regularly track and analyse your marketing performance to identify what works and what doesn't. Use this data to refine your strategies and move forward.

Patient feedback: Encourage and incorporate patient feedback into your marketing. Understanding patient needs and preferences allows you to tailor your messaging and improve engagement.

Professional development: Keep updated with the latest marketing trends and techniques. This ensures your strategies remain relevant and effective.

Momentum in marketing is not just good business, it is a necessity. By maintaining a consistent and proactive approach, you can build awareness of your dental practice, establish trust in your community, and increase engagement with new and regular patients. ■

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