

Dental Practice

# Sellers Guide

# 10

Things to consider when  
putting your Dental  
Practice up For Sale



Since Lily Head founded the business in 2010, LHDPS has become a trusted advisor to many hundreds of Dentists who we have helped '*exceed their business ambitions*' through the sale and/or purchase of dental businesses.

As a specialist Dental Practice Broker, LHDPS are focused on ensuring the advice, services and value we deliver to our clients is market leading.

## SELLING YOUR DENTAL PRACTICE

### 10 Things to consider when putting your Dental Practice up For Sale

1

#### PLAN

Ideally draw up a plan for disposal 2-3 years in advance. You want to ensure you maximise the sale price, sell to the right buyer, and sell at a time that suits you. Also, consider if you wish to carry on in the practice and what commitment you would wish to make. Lenders like Principals of mainly private practices to stay on and support the purchaser in the transition of clinical care.

2

#### FINANCIAL PERFORMANCE

Be sure to implement a strategy to maintain or grow your top line revenue and manage your costs of delivery. This might consist of a marketing strategy coupled with some improvements to your premises. We have posted several articles on this subject.

You should keep your UDA levels on target. Not just to maintain the revenue but to avoid the risk of any breach notice being issued.

We recommend you ensure your staff salaries are kept in-line with the industry norm and that you review your supplier arrangements and renegotiate where you can. We can recommend some expert business consultants and accountants who can help you with this.

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#### SELECT A SPECIALIST DENTAL BROKER

You may be able to sell your practice privately. That said, we have helped lots of Principals who have failed to sell after what can be years of trying to get a deal to completion. We recommend you always get an up to date valuation. We can help you with that. Goodwill values are determined by the timing of your valuation and your location, in addition to the selling points of your business.

When selecting a broker there can be a temptation to go with the broker who provides you the highest valuation. Over optimistic valuations can often lead to disappointment later as they alienate buyers. The key is to get lots of interest in a practice in order to create a competitive environment. This will ultimately lead to the best deal for the vendor. It is not the starting price (valuation) which is key, but the end (sale price). We have excellent market penetration. It is a myth that other brokers might have more 'buyers' than LHDPS. Buyers register with all the brokers.

It makes perfect sense for them to do so.

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**APPOINT DENTAL SPECIALIST PROVIDERS**

We strongly recommend you firstly take professional advice on anything to do with the legal and financial implications of a sale, and secondly that you take professional advice from those who are proven to be experts in helping dentists. NASDAL ([www.nasdal.org.uk](http://www.nasdal.org.uk)) and ASPD ([www.aspd.co.uk](http://www.aspd.co.uk)) are organisations whose members fit that criteria. We have our own list of recommended providers we are happy to share.

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**PREPARE FOR THE DUE DILIGENCE**

Your solicitor will be able to share a list information and certificates any buyer's solicitor will require. The more prepared and organised the documentation is the slicker the transaction will be.

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**IF YOU HAVE BEEN AWARDED AN NHS CONTRACT**

In order to protect your contract we strongly advise you to not make direct contact at the outset with the LAT (Local Area Team), but first seek expert legal advice as to how to ensure a safe transfer as part of a sale.

7

**CQC**

Make sure your registration is completely accurate and up-to-date.

8

**PROPERTY**

If it is a freehold sale the buyer will conduct a survey so be prepared for any defects to be identified. Talk to your landlord early about their willingness to extend or create a new lease. If you have a lease of less than 15 years expect your buyer to ask for an extension. Ideally your existing lease would fall within the Landlord & Tenants Act 1954. You will need an EPC certificate dated within the last 10 years for any type of property transaction, unless you are based in a listed building. We can help arrange this for you.

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**EXPENSE SHARE ARRANGEMENTS**

Check the provisions with regard to the sale of your share.

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**YOUR EXISTING STAFF**

We recommend you do not tell your staff you are selling until you exchange contracts with your buyer.

*The information has been prepared by Lily Head Dental Practice Sales as a general guide only and does not constitute advice on any specific matter. We recommend that you seek professional advice before taking action. No liability can be accepted by us for any action taken or not taken as a result of this information.*