

CASE STUDY

Bold and Strategic Move

THE ROOS GROUP OF DENTAL PRACTICES SELLS TO TOGETHER DENTAL

The Roos Dental Group provided dental services across Norfolk and Cambridgeshire.

The group comprised of:

- 🦷 6 Dental Practices
- 🦷 1 laboratory
- 🦷 4 NHS practices and 2 mixed practices
- 🦷 Combined NHS contract of 136,396 UDA's
- 🦷 3 leasehold and 3 freehold
- 🦷 72% of the UDA's were assigned to practices where the freehold was for sale
- 🦷 The group also had pay per item private and plan patients.

The group went to the market for an asking price of £4,100,000.

To quote Sanjay Shah, the CEO of Together Dental from his interview in The Dentistry Magazine on 19 March 2020. 'We realised we needed some scale to implement infrastructure and made a bold and strategic move. We pushed on and bought seven practices in one year. We started creating the foundations for a really strong central infrastructure to support our growth.

The partners wished to sell the estate as part of their retirement planning.

They wanted the sale process to be confidential in order not to unsettle or perplex their patients and their loyal practice teams.

The partners wanted a dental broker who had the depth of knowledge and experience to:

- 🦷 Reach all the dental buyers who would be interested in an opportunity of this size.
- 🦷 Negotiate the optimum outcome for the partners.
- 🦷 Who had the resources to contact and liaise with those potential purchasers.
- 🦷 Value and manage all aspects of the NHS, private and plan patient goodwill. As well as the freehold and leasehold aspects of the group.
- 🦷 Conduct a wall to wall inventory and valuation of all the capital equipment across all sites.

"The partners wanted a dental broker who had the depth of knowledge and experience."

Together
DENTAL



Sanjay Shah



Reepham Road



Sheringham

continues...

'We started by running the group through several types of financial model to understand how we could achieve the maximum sale price for the vendors. This included marketing the group as a whole or in various segments. The group has a diverse patient base and provided a wide spectrum of services. We took those models to the market to make sure that our rationale and values were in line with what the market would pay. Once we agreed the best go to market strategy we introduced the proposition to the market and then worked with all the interested parties to negotiate the deal which made the most sense to the vendors. Once a deal was agreed, Sanjay Shah and the team at Together Dental moved forward promptly and completed the deal in good order.'

"We started by running the group through several types of financial model to understand how we could achieve the maximum sale price for the vendors."

19 March 2020

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Rebrand brings group together

Seb Evans speaks to Sanjay Shah about the rebrand of Together Dental and what the future holds for the group

Seb Evans

Head of digital, FMC



Sanjay Shah

CEO, Together Dental



Seb Evans: What made you first decide to become a dentist?

Sanjay Shah: I started looking at dentistry from a young age. I really enjoyed biology at school, so wanted to do something that was medically related.

I was also working part-time throughout school and university in post offices, wallpaper shops, video stores, marketing agencies and retailers. I didn't realise it at the time, but this definitely contributed to my commercial and entrepreneurial spirit, and gave me the desire to own my own business.

The common theme is, if you like biology and you want to help people, you become a doctor. However, this doesn't leave you with much room to own your own business. Dentistry became the obvious choice – something medical, giving you the ability to run your own business.

Seb: What was your route from qualifying in dentistry to running a successful dental group?

Sanjay: One of my primary ambitions was to own my own business. During my VT (now known as FD) year 1 I was keen to buy a practice straightaway. I started looking, but quickly realised I couldn't afford one. So, I worked seven days a week and every hour under the sun so I could save up and buy one.

I kept looking just so I knew what was good and what wasn't. Ten practices on, I came across a typical backstreet, rundown NHS practice in Clacton-on-Sea. I thought, if I could get my hands on that, I could really turn it around. But I just didn't have the funds to do it.

On my way back home from viewing this practice, one of my VT trainers called asking if I knew where Clacton-on-Sea was as he was going to view a practice there, I was tempted to send him in the wrong direction! He and his partner already owned four practices. I knew they had the means and it was a good practice, so that was my opportunity gone.

We wanted a brand that really represents who we are and what we do

A couple of days later we met up and, long story short, we decided to buy it together. I knew I had enough funds for a third of the practice. I moved to Clacton-on-Sea for a couple of years to really establish the practice and didn't do much else but work in and on the practice.

We converted a tiered, three-surgery practice into a flagship eight-surgery practice in the space of two years. Subsequently, we won a tender for another practice in Southend-on-Sea – luckily that's where I'm originally from. So, I moved back to Southend and split my time between two practices. We continued to work hard growing both practices.

At this point, the bank contacted us and said they would love to lend us more money. We were onto something and it made sense to replicate our success further. We went ahead and bought another two practices in Norfolk.

It was now a pivotal moment in our journey. My partners had four practices separately and we had four practices together. Between the eight practices, we were running

around like headless chickens. We had no infrastructure, no help at all.

We realised we needed some scale to implement infrastructure and made a bold and strategic move. We pushed on and bought seven practices in one year. We started creating the foundations for a really strong central infrastructure to support our growth. We bought another 10 practices the following year.

This last year has been amazing for us. We bought a further 10 practices, taking us to 31, but, more importantly, we invested heavily in our teams and practices.

It truly is an exciting place to be and we now have the backbone to accelerate our growth further. We introduced a professional private equity investor into the business last April. We were blessed to have many parties interested because, unbeknown to us, our business had sector-leading metrics that made it very attractive. We picked G Square as it exclusively invests in healthcare businesses.

Having a healthcare-orientated investor was really important to me. We had other potential buyers that were going to give us a lot more financing power, but it was important to find the right partner.

When somebody is healthcare focused, you're always thinking about clinical care first. This is fundamental and at the core of everything we do. Without it, I am sure we will fail.

Seb: What was your reason for success in the beginning and what is your USP now?

Sanjay: Being clinically led is a massive differentiator for us with learning, training and education at the forefront of everything we do.

As the CEO, I am a dentist; our clinical director is a dentist; our COO is a dentist; we have two non-executive directors that are dentists; our chairman is a pharmacist; our investor is healthcare focused; most of our operating team has a clinical background. Which other professional group in the UK can truly say it has kept this at the forefront of everything it does? Until you've worked in a surgery, you just don't know what's involved.

Seb: Why have you decided to rebrand to Together Dental?

Sanjay: We had it in the pipeline before we got investment on board. The way we'd come up with the original brand wasn't exactly very scientific. The name Dental Care Group seemed very generic and really didn't encompass what we do.

We wanted to refresh the website to make it more about who we are, so it made sense to do the rebranding at the same time. We wanted a brand that really represents

who we are and what we do. Therefore, we undertook a professional rebrand process – and we're really proud to end up with what we got.

Seb: What's exciting about dentistry going forward and how does Together Dental fit into that?

Sanjay: There's two aspects: in terms of treatment, things have moved on and there's so much out there that can change a person's life. We're seeing people have their teeth removed and having new teeth put in on the same day. This happens at least every week in one of our surgeries. It is truly transformational and life-changing treatment.

Digital dentistry is the future. We have started to invest in digital scanners in our practices and have plans for an estate-wide roll out. We're really entering a truly remarkable period in dentistry. If you don't keep up you will miss out.

For me personally, what's really exciting is how we can use technology to enhance the patient journey. We are so behind in dentistry as a whole when it comes to the use of technology. We have some exciting plans to modernise the patient journey and bring it into the 21st century.

Seb: What's next for Together Dental, where do you see yourself in the next five years?

Sanjay: Five years is a long time! The primary aim is to be the best provider of dentistry within the UK. They say 'size doesn't matter, it's how you use it'. For us, it's not about how many practices we've got – we want to modernise the patient journey and provide excellent patient care to everyone at affordable prices.

What we've been really good at is acquiring practices and turning them into places where it is a pleasure to work and to visit as a patient. Our philosophy of continuous improvement drives this.

Although we are very acquisitive, we are very selective about what we buy. The practices we acquire have to be the right strategic and cultural fit. This comes from the people. If you don't have the right people you can't deliver and, quite frankly, it is no fun. There is no point doing anything if it is not fun.

It doesn't matter how many practices you have, it's about delivering good patient care and looking after your teams. D

www.together.dental