



PTITODAY

EXPERIENCE, INFORMATION AND CONSULTANTS YOU CAN TRUST



Exclusive Florida Broker for American Dental Sales
Exclusive Transitions Specialist for the Pride Institute

5100 Tamiami Trail North
Suite 106
Naples, Florida 34103

Toll Free: 800.262.4119

Visit us on the web at:
professionaltransitions.com
or dentalsales.com

IN THIS ISSUE

Mythology
of Transitions Part 1

Meet Donald & Melody
Elsman

Updated Listings

Professional Transitions
would like to

Congratulate

John Palsgrove, DDS to
Richard Wood, DMD

Avon Park

Gerald David, DDS to
Brian Crupi, DDS

Englewood

Dr. Rafael Urbino
Special Care Dentistry
of Miami Beach, PA

Miami Beach

Robert Meiers, DDS to
Ramzi Matar, DMD

Orlando

Jenny White, DMD to
Cori Hvideberg, DMD

Sarasota

Mythology of Transitions *Part I*

The same myths about buying and selling practices have been circulating for many years; even when proven wrong, they still linger. Both sellers and buyers have heard some of these myths and there are enough myths to go around – some for buyers and some for sellers. The good news is that when a transition is done right these concerns usually do not actually become reality.

1. The Ideal Practice

There is no “ideal” practice! No matter how many practices a buyer looks at the buyer will find that every practice has something that they will want to change. Many of the changes will be simple and some, such as adding a new profit center by adding some new procedures in-house, will even create greater cash flow. The secret is to find a seller with the same basic philosophy of practice. Then, even if some changes need to be made, the staff and patients will be comfortable with the majority of the changes since they are value based.

2. Need Cash To Buy A Practice

The majority of buyers have debt due to school loans. Today, graduating with \$150,000 to \$250,000 of school debt is normal. The lending community, including some local banks and national dental lenders, has for the most part embraced dental lending. Lenders have been willing to provide over 100% financing for the buyer including money to purchase the practice, accounts receivable and/or working capital, and if the cash flow allows, some equipment.

If there is real estate included in the purchase, most lenders will loan 80% or more of the property price or loan to value ratio. The other 20% can be provided by either a buyer down payment or again, if there is sufficient cash flow from the practice, the lender can add the down payment to the practice purchase loan. Experienced dental lenders are generally non-collateralized lenders so they do not generally require other collateral or cosigners.

However, if the buyer’s bills have not been paid on time, their credit score is low, there is a bankruptcy in

the past or the buyer’s personal living expenses are excessively high, there will be difficulty obtaining a loan. Lenders usually require at least two or three years of good credit history to get comfortable with these loans, as well as enough cash flow in the practice to pay the overhead of the practice, pay the loan principal and interest and pay the buyer’s personal expenses.

3. Seller Needs To Stay For A Long Transition Period

This is a very common misconception. If the transition is planned right, the seller can finish his/her work-in-progress in a very short time and make a graceful exit; however, it will not be a good match if you want the seller out and the seller wants to remain working in the practice, or vice versa.



Continued Inside...

Mythology *Continued*

The seller's endorsement is very important and patients generally trust the seller's judgment, at least enough to come back to the practice after the sale. However, the staff actually creates the continuity for the transition. It is then the responsibility of the buyer to connect with the patients. The trust of the patient is evident by their return to the practice and it is the responsibility of the buyer not to lose that trust.

4. Immediate 30% Patient Loss

If the buyer keeps the majority of things in the practice the same for the first twelve months there is little, if any, loss of patients or revenue. There will of course be some individual patient loss, but that is a fact of life for every practice. Actually, profits generally tend to rise up to 10% in the first year. Based upon national transient figures of 7%, if practices didn't grow by 10-15% per year they would all close their doors after a few years.

5. Staff Will Leave

There are instances when a senior staff person will retire when the seller does, but for the most part the staff is eager to stay. They want to keep their jobs and stay working in routines with people they know and in situations that they can predict. So the buyer can make this possible and ease their anxiety by changing only what is necessary in the beginning. Remember that staff has value to a transition. By keeping their wages and benefits the same there will be no reason for them to leave.

Let the realities - not the myths - drive the decision when buying or selling a practice. Make decisions from a base of knowledge and not fear or gossip. Professional Transitions, Inc. can answer any questions you may have regarding your practice transition.

Adapted from an article by Randy Daigler, DBS Professional Practice Brokers, Inc and reprinted with her permission.

Part 2 - Next Issue.

Death and Disability

Your steps now are the key to set your practice up for success in event of the unexpected happening to you.

For information call **(800) 262-4119**
or visit us at **professionaltransitions.com**



Speakers Available For Your Meetings

Learn the latest in transition and exit strategies.



Call Professional Transitions
800.262.4119

Meet The Elsmans



Dr. Don Elsman was born in New York and grew up on Long Island. He graduated from the University of Florida in 1973 and received his dental degree from SUNY at Buffalo in 1978.

Don practiced dentistry in Homestead, Florida until 1996. He then moved to Key Largo where he continued to practice until retiring in 2006. He is a member of the ADA, FDA and the ECDDS.

Melody is a native Floridian. She worked with Don as he started his first practice and became his business manager. She then graduated from MDCC School of Dental Hygiene in 1993. She has consulted with practices regarding dental practice marketing.

Both Don and Melody grew up on the water and are enjoying their life-long dream of living on the beach while spending their fondest moments relaxing or boating either alone or with family and friends.

Although Don and Melody enjoy the freedom of retirement from practicing dentistry, they also feel they have gained so much first-hand knowledge over the years in developing and selling dental practices and property that they can be a real asset to other dentists making these important life decisions.

The Elsmans have joined Professional Transitions, Inc. They bring a working knowledge of dental practice management including management by statistics, financial planning, public relations and marketing. They are both licensed real estate agents and have attended continuing education courses in dental practice valuation. They look forward to serving the Jacksonville and Florida Panhandle areas.

Unlock Your Future *General and Specialty Practice Purchase Opportunities*

NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Lake City	7 ops FFS Pano 2 days/week		PENDING
Live Oak	7 ops FFS Pano 2 days/week		PENDING

Specialty Practices

NE Florida	Pedo	\$1.2M	
------------	------	--------	--

WEST FLORIDA

Contact: Greg Auerbach, MBA or Paul Rang, DMD, JD

		Gross	Buyer Net
Avon Park	4 + 2 ops FFS RE Avail		SOLD
Citrus County	5 ops FFS Pano	\$705K	\$213K
Crystal River	8 ops FFS Pano RE Avail	\$1.1M	\$315K
Englewood	5 ops FFS Pano RE Avail		SOLD
Englewood	4 ops FFS/PPO RE Avail	\$600K	\$190K
New Port Richey	5 ops FFS	\$732K	\$206K
Sarasota	3 ops Facility 1100 SF		FOR RENT
Sarasota	4 + 1 ops FFS/PPO		SOLD
Tampa	4 ops HMO/Cash	\$375K	\$121K
Tampa	3 ops FFS/PPO	\$550K	\$150K
Venice	4 + 1 ops FFS/PPO RE Avail	\$625K	\$125K
Venice	3 ops FFS/PPO	\$650K	\$152K

Specialty Practices

Tampa	Ortho – Associate/Buy-In		
Tampa Area	Oral Surgery – 5 ops RE Avail	\$2.7M	\$1.75M

CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Citrus County	5 ops FFS Pano	\$705K	\$213K
Cocoa	6 ops FFS Pano, RE Avail	\$1.1M	\$378K
Crystal River	8 ops FFS Pano RE Avail	\$1.1M	\$315K
Gainesville	4 ops FFS/PPO Pano	\$1.1M	\$328K
Levy County	7 ops 3 days/week	\$292K	\$58K
Ocala	5 ops FFS	\$1.1M	\$479K
Ocala	5 ops FFS	\$619K	\$210K
Orlando	4 ops FFS/PPO		SOLD
Orlando	3 + 1 ops FFS/PPO	\$700K	\$248K
Pasco Co. – NPR	5 ops FFS	\$732K	\$206K

Specialty Practices

Orlando	Orthodontics 2 days/week	\$350K	
Treasure Coast	Prosthodontics		PENDING

SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net
Aventura	5 ops FFS C&B	\$962K	\$306K
Coral Springs	5 ops FFS/PPO 3 days/week		SOLD
Hialeah	4 ops FFS/PPO Pan		Ask \$225K
Hollywood	7 ops FFS/PPO Dentrinx and new Pan	\$1.2M	\$309K
Homestead	2 + 1 ops FFS	\$360K	\$112K
Lower Keys	5 ops FFS C&B w/Real Estate	\$1M	\$200K
N. Palm Beach	4 ops FFS/PPO Rest Cosmetic w/RE	\$1.5M	\$321K
Plantation	5 ops FFS Computers & Digital X-Ray	\$965K	\$315K
Pompano Beach	2 + 3 ops FFS		Ask \$119K
Pompano Beach	3 ops FFS/PPO (3 days/week)	\$491K	\$150K
Sunrise	7 ops FFS/PPO including Condo		PENDING

Specialty Practices

N. Miami	Pedo / Ortho – 6 ops FFS		Ask \$200K
----------	--------------------------	--	------------

Practices Ready Facilities

Jupiter	5 ops equipped Shopping Center		Ask \$150K
Miami Beach	2 + 1 ops Dig X-Ray Networked		SOLD
Vero Beach	3 ops *CONDO* w/equipment		Ask \$460K
Wellington	4 + 1 ops Equipped *PEDO/ORTHO FACILITY*		Ask \$50K

SOUTHWEST FLORIDA

Contact: Hy Smith, MBA or Greg Auerbach, MBA

		Gross	Buyer Net
Ft. Myers	5 ops Equipped Facility – Move-In Now		Ask \$75K
Ft. Myers Area	5 ops FFS Pan, RE Avail	\$650K	\$203K
Naples	5 ops FFS Pan	\$350K	
Naples	4 ops Equipped Facility – Move-In Now		Ask \$80K
Naples - South	3 ops FFS Paperless *Motivated Seller*	\$480K	\$138K

Specialty Practices

Naples	Oral Surgery	\$450K	
--------	--------------	--------	--

ASSOCIATE OPPORTUNITIES

General Practice: Miami, Miramar, Sarasota, Stuart, Tamarac, Venice
Orthodontic: Tampa

Buyer Projected Net Income Assumes 100% Financing

For the most recently updated listings visit

www.professionaltransitions.com

We currently have buyers and associates looking for the following opportunities:

GENERAL DENTISTRY

Broward, Collier, Dade, Hillsborough, Manatee, Orange, Sarasota

PEDODONTIST

Broward, Dade, Palm Beach

ORTHODONTIST

Broward, Collier, Dade, Hillsborough, Lee, Manatee, Sarasota

PERIODONTIST

Broward, Palm Beach



Hy Smith, MBA
(239) 262-3077
hy@professionaltransitions.com



Southeast Florida
Stuart M. Auerbach, DDS
(954) 431-3624
stuart@professionaltransitions.com



Jacksonville / Panhandle
Melody Elsman, RDH
(386) 517-6911
melody@professionaltransitions.com



West / Southwest Florida
Greg Auerbach, MBA
(941) 746-7959
greg@professionaltransitions.com



North / Central Florida
Paul Rang, DMD, JD
(407) 671-2998
paul@professionaltransitions.com



Jacksonville / Panhandle
Donald A. Elsman, DDS
(386) 517-6911
don@professionaltransitions.com



**Serving Florida's
Dentists for Over Forty Years**

- Malpractice Insurance
- Worker's Compensation
- General Liability
- Office Equipment
- Life and Disability Insurance
- Business Overhead
- Homeowner's and Personal Auto

World Class Insurance for World Class Clients

Call Phil Yanan at (305) 666-6636 for a quote.

10301 South Dixie Highway, Suite 300 – Pinecrest, Florida 33156 – www.wwfins.com



Contact us today for a

FREE CD

About Buying & Selling Process at
info@professionaltransitions.com

**Financing available
for all of your needs!**

- Refinancing
- Debt Restructure
- Acquisition
- Remodeling
- Start-Up
- New Equipment

It's Easy - Call Today!
Professional Transitions

800-262-4119



RESORTED
STANDARD
U.S. POSTAGE
PAID
PERMIT #1
MANASOTA FL

Professional Transitions

Licensed Real Estate Broker
Exclusive Florida Broker
for American Dental Sales

5100 Tamiami Trail North,
Suite 106
Naples, Florida 34103

Visit our website at:
www.professionaltransitions.com
or www.dental-sales.com



Inside this issue of PTI TODAY:

- Myths of Transitions
Examined & Explained, Part 1
- Don & Melody Elsman
Join Professional Transitions
- Unlock Your Future –
Practice Purchase Opportunities