



ADS Florida Insider

EXPERIENCE, INFORMATION AND CONSULTANTS YOU CAN TRUST

IN THIS ISSUE

MAY/JUNE 2009

Practice Transitions Made Perfect™

ADSflorida.com



Stop the Cycle

Stop the Cycle

It seems that cycles are a part of our lives. Business cycles, weather cycles, economic cycles all seem to surge and wane. In the past few months I have been dealing with dentists' partnership problems. Whether it is the economy or the weather or some mysterious influence from outer space, partnership dissolution is front and center on my desk at the moment.

Remember, "An ounce of prevention is worth a pound of cure"! Or, in my terms, a few minutes every year assessing your partnership documents will save you many thousands of dollars in consulting, mediating and potentially litigation fees.

Very respectfully,

Hy Smith, MBA | President, ADS Florida

We have discussed the reasons for partnership failures in past newsletters, but I think it appropriate to provide you with ways that can possibly assist in avoiding the pitfalls that seem to lead to partnership problems. With that in mind, I have outlined some thoughts on our website at www.ADSFlorida.com/hysdesk.



Increasing Case Starts: Five Keys to Success

Increasing Case Starts: Five Keys to Success



Recognizing the Path to Economic Recovery

While the slumping economy has affected virtually every practice, doctors offering high-end elective procedures have been particularly hard hit. While potential new patients have continued at acceptable levels, treatment acceptance rates have declined significantly. While the current economic downturn has affected almost everyone, the stakes are especially high for doctors providing elective procedures.

reason(s) why prospective patients visiting their practice changed their mind, and take immediate action to correct these deficiencies.

The impact of "getting this right" is huge. Consider a recent study of large orthodontic practices, where average treatment acceptance rates declined from 77% in 2000 to 66% currently. Based on an average of 550 new patient exams per year, the decline in treatment acceptance rates means that practices were losing an average of 60 new cases annually. Based upon a \$5,000 average case fee, this translated into \$300,000 in gross collections per year, and lost profits estimated at \$240,000 (80%) annually. With this much money "on the table", doctors must dramatically increase their emphasis on key selling skills.

Having given over 2,000 presentations to clients in over 60 different types of businesses, Landy Chase says that unlike dentists, most of these clients do not have prospective customers who show up at their place of business. Furthermore, most of these clients must routinely persuade decision makers to talk to them. Fortunately, most doctors do not have these problems. Prospective patients routinely show up at your door. Moreover, when they arrive at your practice, sign in, and take a seat, they are making it clear that they want to do business with you.

How Do You Fix the Problem? We'll cover that in our June E-Newsletter. Sign-up for free at enews.adsflorida.com.

Conversely, when a financially qualified patient leaves your practice without making a commitment, they are also making it clear that they have reversed the decision that brought them to you. During the course of that initial visit, something has made them change their mind.

Landy Chase, MBA, CSP is a sales and marketing expert who specializes in helping orthodontists and other elective procedure doctors improve their treatment acceptance rates. He is the creator of *Closing Skills for the Orthodontic Practice*, an onsite staff workshop.

Because the pool of potential patients actively seeking your services may be stagnant, or even declining, doctors and their staff must ensure that they establish an initial consultation process that maximizes patient starts. Furthermore, doctors must also identify any breakdowns in the process. In that regard, they must determine the

The above article was reprinted with permission from The McGill Advisory, a monthly newsletter devoted to tax, financial planning, investment, and practice management matters exclusively for the dental profession, available for \$217 a year from John K. McGill & Company, Inc., Lake View Professional Building., 8816 Red Oak Boulevard, Suite 240, Charlotte, NC 28217; or call (888) 249-7537 for further information.

ADS Florida
Congratulates

James Costello, DDS
to Jessica Fernandez, DDS
Clermont

Martin Wexler, DDS to
Francesco Vultaggio, DMD
Deerfield Beach

Royal Palm Dentistry:
Maryann Kriger, DDS
and Greg Casey, DDS
Marco Island

Acosta Dental Arts
and Adrian Acosta, DMD
North Palm Beach

Recognizing the Path to Economic Recovery



In addition to informal meetings throughout the year, twice a year, ADS holds formal national conferences where we, as members, collaborate to enhance our individual and collective abilities and skills in transitions. We discuss best practices and reach out into the dental and financial community to develop ways to bring the best transition services to you, the dentists in our respective local areas. This is a unique opportunity to our company and organization – extensive training and resources that no other broker in the state can offer.

At our most recent meeting in Denver, Bank of America Practice Solutions, as one of our preferred lenders, lead an in-depth discussion about the current state of the economy. Dan Kerwin, Chief Financial Officer from Bank of America gave an enlightening presentation on Risk & Opportunities in this economy discussing many topics including:

- How we got in this economic mess?
- How are we economically today?
- Where will we be with our economy tomorrow?
- When will our economic troubles be over?

Let's be honest, we've probably all heard enough doom and gloom to last for many years. We can read about it in every paper (that still exists) and hear it daily on every news channel. What we need to know, though, is what should we look for to know that we are coming out of the economic hard times?

In his presentation, Dan Kerwin listed 10 indicators of an economy improving. These indicators are easy things to watch for, they are common sense indicators, and seem very obvious once you hear them.

#10 Movie Tickets Sales

In 2008, ticket sales dropped four percent but thus far this year are up 13% from last. As movie ticket sales increase, more are deciding they can enjoy the night out instead of renting a movie in.

#9 Credit Cards and Debt Collectors

In bad economic times the bill collectors are very hospitable, they are generally willing to work with those that owe; they want to work out a payment plan. When the bill collectors become less hospitable and aren't willing to work with those that owe, the economy will be improving.

#8 Cardboard

Cardboard is necessary for packaging (retail, shipping, moving, etc). When the need for cardboard increases, people are buying, spending, and shipping more, indicating positive momentum or the economy.

#7 Pasta

Similar to renting a movie, pasta is cheap. When the economy is down people eat pasta and pasta sales increased by 22% in 2008. As pasta sales slow, things could finally be getting better.

#6 Interest Rates / Treasury Notes

This is a bit more complex but it can be boiled down to three metrics. First, the 10 year t-note yield and corporate bond spreads. Second, the TED spread and third, the three month t-bill yield. When the first spread decreases to

2%, second spread decreases to 0.40 and the yield increases to above 0.75, all indications are that the economy is in recovery.

#5 Retail Sales

As retail sales grow, so will the economy. January and February showed increases, but March was down. Also watch for sales at Wal-Mart and McDonalds to slow down as people are return to the more trendy retail shops and restaurants.

#4 Car Sales

The struggling American car manufacturer is a daily news story. The fourth quarter of 2008 resulted in the worst annualized new car sales rates in 28 years. When new car sales stabilize at any level the economy will be improving.

#3 Jobs

Specifically, we're looking at the demand for temporary help. When employers have an overflow of work, more than the full time staff can handle, this will require extra help in the form of temporary employees, and this is a sign of a good turn in the economy.

#2 More Jobs

Here, we consider the number of hours that employees are working. When the average number of hours worked by an employee begins to increase that will be business is getting busy and we need to start seeing people work more overtime or move from part-time to full-time, all contributory signs that the economy is on an upswing.

#1 Home Sales

Now this isn't a surprise to anyone. We know houses aren't selling and when they start to sell, or we start building houses again, we will know that things are improving. When the home builder index increases to 40 this indicates times are improving. We've already seen an increase since the time of the talk, so we may be on the road to recovery.

One final major point to keep in mind is that the country is considered fully employed when the working population reaches 96% (4% unemployed). The recent statistics are that the country's unemployment rate is 9%, meaning that 91% of the country has jobs. For reference, Florida's unemployment rate is currently around 9.5%.

No surprise, especially during "sweeps" on TV, but bad news sells and bad headlines seem to perpetuate the negative mindset. Fear drives people to hold their money tightly. We cannot ignore the news but we need to temper it with information on the other side of the story as well.

To make it easy for you to keep track of these indicators, we've added a page on our website specifically for you to have easy reference to the data. You can access this page at www.ADSflorida.com/economy or from the link on our homepage.

If you feel you need or just would like assistance in managing your practice through the current economy as we build towards recovery, please do not hesitate to let us know.

Practice Transitions Made Perfect

General and Specialty Practice Purchase Opportunities

WEST FLORIDA

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

		Gross	Buyer Net
Sarasota	5 ops FFS Cosmetic/Restorative	\$985K	\$215K
Sarasota	2+1 ops PPO/FFS Merger/Satellite	\$320K	
Venice	4+1 ops FFS/PPO Real Estate Avail.	\$400K	
Venice	3 ops FFS/PPO	\$632K	\$154K
Venice	4 ops FFS/PPO	\$600K	\$145K

Specialty Practices

Pediatric Greater Tampa: Two Associates Looking for Purchase Opportunity

Practice Ready Facilities

Sarasota 4+1 ops - 1300 SF Upgraded Interior Ask \$85K

SOUTHWEST FLORIDA

Contact: Greg Auerbach, MBA or Hy Smith, MBA

		Gross	Buyer Net
Fort Myers	5 ops FFS - 2500 SF Digital xray	\$950K	\$274K

Practice Ready Facility

Marco Island 3+3 ops 2000 SF Digital xray pan SOLD

SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net
Deerfield Beach	5+1 ops FFS/PPO with building		SOLD
Hialeah	4 ops FFS/PPO computer and pan	UNDER CONTRACT	
Lauderhill	4+1 ops FFS/PPO	\$410K	\$109K
Lake Worth	4 ops FFS/PPO newly decorated		Ask \$125K
Miami	7 ops PPO/FFS/HMO	\$575K	\$175K
Miami	5+1 ops FFS/PPO Shopping Center	\$920K	\$190K
N. Miami	5+1 ops FFS/PPO		Ask \$97K
N. Palm Beach	5+1 ops FFS/PPO digital xray		SOLD

Specialty Practices

Indian River County Perio 5 ops new equipment w/Condo
Palm Beach County Oral Surgery 5 ops FFS/PPO UNDER CONTRACT

Practice Ready Facilities

Lake Worth 3400 sf building with 4+1 ops dental office FOR SALE OR LEASE
Vero Beach 3 ops Condo w/equipment Ask \$375K

Associate Positions

General Miramar, Tamarac, West Miami
Pedodontic Hialeah, Homestead

CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Clermont	5 ops FFS/PPO Pano 3 days/wk		SOLD
Gainesville	4 ops FFS/PPO Pano	\$1.1M	\$333K
Levy County	7 ops 3 days/wk	\$362K	\$145K
Mt. Dora	8+1 ops FFS/PPO/HMO Pano		UNDER CONTRACT
Ocala	4+2 ops FFS Pano		UNDER CONTRACT
Orlando	6+2 ops FFS/PPO/HMO pano dig. xray RE	\$914K	\$266K
Orlando	6+1 ops FFS/PPO dig. xray, Pano 3 days/wk	\$529K	\$150K
Orlando	4 ops FFS/PPO digital xray, Pano, Cerec		UNDER CONTRACT
The Villages	7 ops FFS/PPO digital xray, Pano, Cerec	\$1.5M	\$387K
Vero Beach	3 ops Equipped Condo		Ask \$375K

Specialty Practices

Central FL	Perio - 2 locations FFS	\$1.1M	\$508K
Space Coast	Perio - 4 ops FFS Pano 3 days/wk	\$443K	\$139K
Orlando	Orthodontics 1 day/wk RE available	\$300K	\$77K
Orlando	Prosthodontics 2 ops FFS Pano	\$595K	\$314K

Associate Positions

General Dunnellon

NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Fort Walton Beach	4 ops FFS pano 2 days/week RE Available	\$220K	
Lake City Area	5 ops FFS pano 3 days/week RE Available	\$348K	\$107K
Pensacola	6 ops FFS 3 days/wk Real Estate Available	\$374K	\$104K

Specialty Practices

North Gulf Coast	Oral Surgery 6 ops Real Estate available	\$1.2M	\$541K
NE Florida	Pedo 6 ops Real Estate Available		UNDER CONTRACT



For the most recently updated listings visit ADSflorida.com

We currently have buyers looking for the following opportunities:

GENERAL DENTISTRY

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

PEDODONTIST

Broward, Dade, Palm Beach

ORTHODONTIST

Broward, Dade

PERIODONTIST

Broward, Palm Beach



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



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



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



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

Visit us at the **FNDC**,
June 18-20, Booth #302

