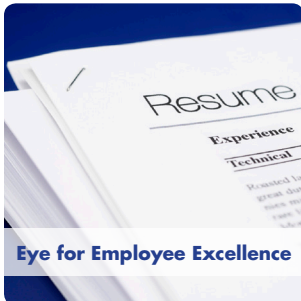




OCTOBER 2013

ADS Florida BuyLine

OPPORTUNITIES FOR DENTAL PRACTICE BUYERS & ASSOCIATES



Eye for Employee Excellence



As Patients, Retirees Rule

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PRACTICE PERFECT: How to Hire for Excellence

It is well known that the best dental practices attract excellent staff, and subsequently, have minimal staff turnover. However, even in the best practices, there will be times when it's necessary to hire new staff members. Practice growth, retirement of an existing employee, and family changes such as a spouse being transferred to another city, are just some of the reasons that create a need to hire. Dr. James Pride, founder of the Pride Institute, once said "hiring a new employee is your opportunity to continue developing the quality of your practice."

Have a Plan Before You Search

So, how do you best position yourself for finding excellence and "continue developing the quality of your practice?" Before you start the hiring process, make sure you have two essential items prepared: Develop a clearly-defined practice philosophy to share with the prospective employee. Second, develop a concise written job description that defines both the duties of the position, as well as the doctor's expectations.

When you begin your search, it's important you look for the employee in the right places. According to the Pride Institute, one of the most effective ways to find the best employees is through "networking" or word-of-mouth referrals. Your future staff member is probably looking online in places such as Craigslist, as well as the newspaper. Social media is also a great way to spread the word. Consider using your website or Facebook page to "advertise."

Ask the Right Questions: Importance of Interview

Once you find a potential candidate, the importance of the interview process cannot be overstated. Being prepared and controlling the interview are paramount, and will help differentiate between the truly motivated and high performing candidates, and those that are not. Many candidates have already developed a "canned" response to questions they have been asked many times before. Overused questions, such as "tell me about yourself," or "describe your strong points," often elicit virtually the same response from each candidate, rendering the question useless.

Avoid closed-ended questions and offering the answer prior to asking the question. The most effective interviewers rely on open-ended questions, which require the candidate to provide more spontaneous reactions, ultimately revealing more about their philosophy, motivation and performance potential. Finally, without exception, check references. No matter how tempting it may seem to skip this critical step, take it upon yourself to call each candidate's references personally, regardless of the position the candidate is pursuing.

The time and preparation involved in hiring for excellence can minimize making a costly mistake. Remember the old adage "one bad apple can spoil the whole bunch."

Additional information on this topic can be found in the program "How To Hire Simply The Best" by the Pride Institute. www.Prideinstitute.com



Where to Buy? Purchasing for Patient Demographic

Florida cities are consistently rated among the “Best Places to Retire” in various annual rankings, and the state is turning a corner, returning to the days when population is growing each year at a strong rate (even in the “great recession,” net population still grew, just very slowly). While this acknowledgment may seem ominous in a drastically changing demographic with increasing economic diversity, it’s actually outstanding news for the future of dentistry in nearly all communities throughout Florida. Why? Generally, older individuals, including retirees, are the real lifeblood of the crown and bridge practice. Pediatric and orthodontic practices will also benefit from the general growth as families move into the region and the recovery stabilizes.

Disposable income? Retirees have it.

These new retiree patients are more likely to be interested in higher-cost restorative and cosmetic procedures, and also more likely to pay to get what they want. It is no secret to dentists that insurance plans rarely contribute much for extensive reconstruction and cosmetic procedures,

New retiree patients are more likely to be interested in higher cost restorative and cosmetic procedures, and **also more likely to pay to get what they want.**

which has historically prompted the patient to hesitate to undergo treatment. Conversely, as this generation steps into retirement, many do it in style. Much of this generation has been financially conservative for their entire life, which helped them endure the economic downturn, and now they want the lifestyle they have delayed. They want relaxation, fun, and want to enjoy it with the perfect smile they’ve always wanted.

In the short term, these patients have been insulated from the declining market — mostly out of high-risk investments and are more heavily invested in diversified funds that will provide a continued source of income. Those who are a bit further away from retirement have time to let some of their higher risk investments come back while sticking with their diversification. Bottom line, these retirees have disposable income, and are willing to use it to better their smiles.

Ideal location? You don’t have to live where you work.

While many dentists looking to purchase a practice are focused on Florida’s growth areas; searching for neighborhoods that have residents similar to their own age and demographic, the reality is that these areas may be some of the hardest areas to be successful and profitable in dentistry. Why? The areas comprised of young professionals and new families generally don’t have major dental needs nor do they have a great deal of disposable income. Without much leftover cash, providing oral health to patients who can pay the fees for service at the most profitable rates is extremely difficult. While this is not the final determinant of a ‘successful’ practice, it’s certainly a favorable position.

That is not to say that just because a purchaser may want to live in a specific area that they are not able to benefit from the inherent value of the broader area’s demographics. While this may require a commute to the office, it’s worth careful consideration of the trade-offs and potential long-term benefits of living in your desired area, while working in another.

So, if you are in your own practice now, plan for and enjoy what the future has to offer. If you are not, and you are looking to purchase, consider areas that may not be demographically similar to you, but will provide the most profitable outlook for your future.

Retirement communities: Built-in business

Remember, it’s not just the wealthy that retire in Florida’s major cities; whole communities have been built for retirees. Sun City Center near Sarasota and St. Petersburg, The Villages near Tampa and Orlando, the interior lake communities near Lakeland, and the Panhandle communities near Destin are prime examples of these communities. These smaller, more rural communities offer many advantages over big cities. The facility costs are usually much less and the staff is often very stable (jobs as a dental assistant or front desk clerk are more often viewed as a career in these communities, rather than a stepping stone). Generally, overhead can be anywhere from 10% to 20% lower in rural areas. Another advantage of these areas is the generally less reduced-fee insurance, because there are fewer large corporations or manufacturing employers providing desirable benefits.

The greatest advantage of practicing in these communities is the “older” patients themselves. They typically have a greater respect for your time; arrive for appointments early and have a significantly lower cancellation rate. Additionally, they are available for appointments during weekday business hours. Retired patients place a higher value on relationships, and will seek one with you and your staff. If you invest some personal time with them, they will not only accept the treatment that you recommend, they will often request treatment. These patients also tend to pay their bills promptly and regularly. Even more importantly, if you provide a personalized environment, they will become advocates for your practice. Although the importance of modern marketing (i.e. web presence) cannot be overstated, this “internal marketing” can provide an abundance of practice growth, ensuring the success of your practice.

The advantages of practicing in a more rural community are many fold and should seriously be considered. If you not only “think outside the box”, but consider practicing outside the box, you can achieve the practice (and all rewards it brings) that you imagined when you applied to dental school.

General and Specialty Practice Purchase Opportunities

CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net*
Clermont	5+2 ops FFS/PPO Dig X-Ray RE avail	UNDER CONTRACT	
Cocoa - Rockledge	4 ops FFS/PPO	\$625K	\$286K
Port Orange	6 ops FFS Dig X-Ray + Pano RE avail	UNDER CONTRACT	
Daytona/Ormond Bch	3 ops FFS/PPO Dig X-Ray + Pano	\$589K	\$231K
Ocala	5 ops FFS Dig X-Ray + Pano	SOLD	
Orlando	3+3 ops FFS/PPO Pano	SOLD	
Orlando	2 locations w/3 ops FFS	\$525K	\$170K
Orlando	3+1 ops FFS/PPO	\$450K	\$98K
Orlando	4 ops FFS/PPO	\$506K	\$120K
North Orlando	3 ops FFS Pano RE Avail	\$549K	\$192K
North Orlando	4 ops FFS/PPO Pano Dig X-Ray	\$420K	\$106K
Winter Park	3+1 ops Pano	SOLD	
Winter Park	5 ops FFS Pano	\$595K	\$164K
Winter Park	4 ops FFS Cerec	SOLD	

Specialty Practices

Central FL	Endo 2 locations w/ 3 ops	\$505K	\$193K
Central FL	Pedo 5 ops Pano-Ceph	SOLD	
Central FL	Pedo 5 ops, Pano, Dig X-Ray RE avail	UNDER CONTRACT	
Central FL	Oral Surgery, 3 ops, Pano w/ RE	Ask \$310K	

Practice Ready Facilities

Ormond Beach	2,000 sf condo, 5 ops, specialty prac	Ask \$307K	
Orlando - Lake Mary	2,000 sf condo, 2+3 ops w/ equip	LEASE OR BUY	

WEST FLORIDA

Contact: Greg Auerbach, MBA

		Gross	Buyer Net*
Anna Maria Island	5 ops FFS Dig X-Ray, Cerec & Laser	UNDER CONTRACT	
Bradenton	3 ops FFS Shopping Center	Ask \$95K	
Bradenton	3 ops (large) PPO/FFS RE Avail	Ask \$115K	
Clearwater	6 ops FFS/PPO Strong Practice	\$758K	\$206K
New Port Richey	11 ops FFS/PPO	\$1.9M	\$654K
Sarasota	6 ops FFS/PPO Dig X-Ray Major Rd RE	SOLD	
Punta Gorda	4 ops FFE RE Avail	\$550K	\$212K
Punta Gorda	4 ops FFS	\$579K	\$158K
Punta Gorda	4 ops FFS RE Avail	\$1.1M	\$443K
Tampa	6 ops FFS/PPO Pan Ready to Grow	SOLD	
Tampa (Northeast)	5 ops FFS/PPO/Cap Paperless	UNDER CONTRACT	
Tampa (Northeast)	5 ops FFS Major Road	SOLD	
Venice	3 ops 2,000 sf FFS Digital X-ray	UNDER CONTRACT	

Practice for Merger

Sarasota	FFS Patients C&B - Staff Avail	\$300K	
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Specialty Practices

Punta Gorda/ Port Charlotte	Orthodontic	\$350K	\$50K
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NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net*
Panama City	5 ops FFS Pano, RE Avail	\$756K	\$292K
Pensacola	3 ops FFS/PPO Dig X-Ray, Pano, RE Avail	Reduced to	\$225K

Specialty Practices

NE Florida	Pediatric: 7ops, RE Avail	\$1.25M	\$486K
NE Florida	Ortho 5+1 ops, 3 days/wk, RE Avail		
NW Florida	Endo 3 ops Dig X-Ray microscopes, RE Avail	\$694K	\$385K
NW Florida	Endo 3 ops Dig X-Ray microscope RE Avail	\$706K	\$424K
NW Florida	Perio 5 ops FFS/PPO Dig X-Ray	Ask	\$475K

SOUTHWEST FLORIDA

Contact: Greg Auerbach, MBA or Philip LoGrippe, DMD

		Gross	Buyer Net*
Cape Coral	7+1 ops, 95% FFS, Ideal Location	SOLD	
Fort Myers	3ops FFS/PPO Long Standing Practice	SOLD	
Fort Myers	5 ops FFS Paperless RE Avail	UNDER CONTRACT	
Naples	6 ops, 100% FFS, Paperless	SOLD	
Punta Gorda	4 ops FFE RE avail	\$550K	\$212K
Punta Gorda	4 ops FFS	\$579K	\$158K
Punta Gorda	4 ops FFS RE avail	\$1.1M	\$443K
Sanibel Island	2 ops, Expandable, FFS, 3 days/wk	UNDER CONTRACT	

Specialty Practices

Punta Gorda/ Port Charlotte	Orthodontic	\$350K	\$50K
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Associateship

Naples	Endodontic Practice	POSITION FILLED	
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SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net*
Boca Raton	6 ops FFS/PPO	\$800K	\$271K
Coral Springs	5 ops FFS/PPO Dig X-Ray and Plan	Ask	\$109K
Delray Beach	4 ops FFS/PPO with condo	SOLD	
Miami Gardens	3 ops PPO/HMO	\$445K	\$97K
North Miami	4 ops PPO/FFS	\$470K	\$128K
Pembroke Pines	6 ops FFS/PPO w/1,800 sf condo	Ask	\$600K
Plantation	4 ops FFS w/condo	UNDER CONTRACT	

Specialty Practices

Miami	2 Orthodontic ops busy shopping ctr	Ask	\$65K
Miami	Endodontic 5 ops	\$975K	\$410K
W. Broward County	Oral Surgery: Dental alveolar/implant	FOR SALE	
W. Broward County	Perio, 5+1 ops, 2,500 sf condo	Ask	\$550K
W. Broward County	Perio, 6 ops w/CT scan, all digital, condo	\$1M	\$375K

Practice Ready Facilities

East Boca Raton	3 ops located in shopping center	Ask	\$17K
Miami Beach	2 ops fully equipped w/ Pan	Ask	\$50K
Port St. Lucie	2+2 ops Dig X-Ray 1250 sf, Pelton Crane	Ask	\$200K

Associateship

Boca Raton	Pedodontics 1-2 days		
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*Buyer net includes the debt service on 100% financing of the asking price



For the most recently updated listings, visit listings.ADSflorida.com

What Our Clients Say

"I felt the valuation process took the individuality of the practice into consideration. It was also noteworthy that the buyer had talked with other brokers and felt that Greg was more trustworthy and fair to him as a purchaser. I believe the best commentary I could offer is that if given the opportunity to go through this process again, I wouldn't hesitate to use ADS [Florida]. Thanks for a great experience."

— Mitchell M. Strumpf, DDS

Meet the ADS Florida Team



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