

# Professional Transitions

**NEW YEAR NEW COSTS NEW FEES**



Each year, the cost of operating your dental practice increases. Supply costs increase, rent increases, insurance increases, staff costs increase, as well as every other cost of running your business. There are only two possible ways for you to make up this difference. Either you work more to increase your income, or you raise fees on the services you provide.

If your fees are below the median fee schedule for your area, you should consider an immediate increase of all of your fees of approximately 10%.

If your practice overhead is 65%, a 10% increase of your fees will yield an increase in profit of approximately 30%. If your overhead is 75%, the same increase will yield a profit of 40%! We suggest that you maintain your fees in the 80<sup>th</sup> percentile of your area fees.

*Afraid of raising all of your fees?* Pay particular attention to those services that patients will notice the most. Prophylaxis and doctor exam fees that they are used to seeing should not necessarily be raised as quickly as others. Consider a smaller increase, possibly 5%.

*Afraid of losing your patients?* Your entire office needs to continuously promote the value of your services to your patients, and it is very unlikely that you will experience a mutiny. If your overhead is 65%, you would need to lose 22% of your practice revenue just to maintain the same level of profitability as prior to the increase.

*Consider an alternative:* An across the board increase in fees may not suit you or your practice now. You may not have increased your fees for many years, or you may have already increased some fees. Review your production reports and consider increases to specific groups of procedures. Be more aggressive in raising your fees where your fees are significantly lower than the 80<sup>th</sup> percentile of your area.

*Lab fees:* Generally, fees for laboratory related services should be in the range of five to seven times your laboratory fees.

*Staff Compensation:* Most offices annually raise their staff salaries. Whether this is a result of merit or just time, the staff looks forward to that increase. We suggest that you raise your fees in conjunction with the increases in staff compensation. Make sure that your staff understands that the increase is tied to your fee increase. Once the connection is made, they will be more willing to assist in the implementation of the increases. They are more likely to present and support the fees favorably to patients, or defend such increases, if they realize that their compensation depends on those increases. Additionally, they will make sure that there are regular increases in your fees.

*Free dentistry:* Does your office regularly give professional courtesy discounts or free services? We suggest that you monitor the amount of free dentistry by entering a \$0 fee for those services and tracking them on your production reports. You may find that the cost of your discounts is higher than you expected.

The health of your practice depends on a regular review of your fees. If you don't know how your fees compare to others in your area, Professional Transitions, Inc. can assist you in determining them.

**Questions about fees and practice management?**

Contact us at (800) 262-4119 or visit <http://www.professionaltransitions.com/fees>

## Professional Transitions

### Coming Soon:

- The REAL cost of alternative financing terms
- Why did my patients leave?
- Legal Corner: Malpractice

### Congratulations to our recent transitions!

Dr. Norman Zarr to Dr. Lawrence Lesperance  
Miami

Dr. Dick Chapman to Dr. Jeff May  
New Port Richey

Dr. Cynthia Harper to Dr. Gerald Copeland  
Tampa

### FIND OUT MORE ABOUT FEES

Do you wonder how your fees correlate to your local market? Are you charging too little?

Visit us at:

<http://www.professionaltransitions.com/fees>  
and request a FREE fee report!

All fee information from the  
NDAS 2005 information database.

### We have a new website!

Please visit us online at  
<http://www.professionaltransitions.com>  
for more information on our company as well as  
our updated listings!

Professional Transitions, Inc. is the exclusive  
transition specialists for the Pride Institute  
as well as the exclusive  
Florida broker for American Dental Sales.

If you have questions for our professional staff or  
topics you would like us to  
address in the newsletter, contact us at:

[newsletter@professionaltransitions.com](mailto:newsletter@professionaltransitions.com)

Professional Transitions, Inc.  
(800) 262-4119 or (239) 262-3077  
<http://www.professionaltransitions.com/nl>  
[info@professionaltransitions.com](mailto:info@professionaltransitions.com)

## Doctor, we have a **buyer** for your **practice...**

It seems too good to be true! For some time, you've been thinking about retiring, but never really discussed it with anyone. Then an unsolicited call that virtually insures you a buyer for your practice at an unbelievable price and terms, how many of us wouldn't like to get that kind of call?

We have recently heard that an old tactic has been revived by some brokers. Cold calls from brokers that promise you that they have a buyer willing to pay almost any price for your practice, even though nobody has ever evaluated or **appraised** it! The broker asks you what your gross income was for the last year, determines from that number the value of your practice and then insists on your signing a listing agreement before bringing any buyers to the practice. Only after agreeing to list your practice do you find that there are no buyers really locked in to purchase your practice, and that brokers do not own buyers! You then find that you are locked into that agreement for a long time!

It is impossible for any broker to give you an accurate appraisal of your practice knowing only your gross income. It is only a marketing tactic to get a listing. We suggest that anytime you are contacted by a cold call (**letter or phone call**) with a buyer for your practice that you only sign a limited listing agreement with the buyer identified. If you do not have the name of the buyer listed, you are probably being solicited only for a listing.

Many doctors are now experiencing difficulty in transitioning their practices as a result of these cold calls. Once a practice is listed and marketed, buyers begin to hear about it and if either the original listing price or terms of the sale are unrealistic, they quickly lose interest and continue looking for professionally appraised and represented practices to purchase. Representation of your practice is a serious matter. We recommend that you interview your broker prior to signing any formal listing agreement.

*Considering the sale of your practice or have questions?*

Contact us: (800) 262-4119 or [info@professionaltransitions.com](mailto:info@professionaltransitions.com)

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### **EXPAND YOUR PRACTICE'S REACH**

Did you know that over **ONE MILLION Floridians** regularly access the internet? Many of those are researching and locating local businesses and services -- but are they going to find **yours**?  
**You could be losing opportunities to reach new patients!**

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# UNLOCK YOUR FUTURE



Florida's Premiere Professional Practice Brokers, Consultants and Transition Specialists

## GENERAL AND SPECIALTY PRACTICE PURCHASE OPPORTUNITIES

### SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS 954-431-3624  
stuart@professionaltransitions.com

	Gross	Ask
<b>Hallandale</b> - GP/Pros 5 ops 3 days/week	\$426K	\$295K
<b>Miami (North)</b> - 5+ ops FFS 3400SF Bldg.	\$170K	\$678K
<b>Parkland</b> - 2+3 ops NEW OFFICE 1day/wk	\$110K	\$365K
<b>Pembroke Pines</b> - 3 ops PPO/HMO	\$250K	\$125K
<b>Stuart</b> - 3 ops FFS with Spacious Ops	\$426K	\$295K
<b>West Sunrise</b> - 5+1 ops FFS/HMO/PPO	\$1.0M	\$750K
<b>West Palm Beach</b> - 6 ops PPO/FFS/HMO	\$454K	\$310K

### SPECIALTY PRACTICES

<b>Pembroke Pines</b> - Office to share new facility		
<b>Plantation</b> - Oral Surgery for Associate/Buy-In		
<b>Plantation</b> - Surgical Facility with Property	\$275K	

### SOUTHWEST FLORIDA

Contact: Hy Smith, MBA 800-262-4119  
hy@professionaltransitions.com

Greg Auerbach, MBA 941-746-7959  
greg@professionaltransitions.com

	Gross	Ask
<b>Ft. Myers</b> - 9 ops FFS	\$550K	\$300K
<b>Ft. Myers</b> - 3+1 ops FFS 2 days/week	\$363K	\$250K
<b>Naples</b> - 3+1 ops FFS 2 days/week	\$650K	\$550K
<b>Naples Area</b> - 3 ops FFS	\$500K	\$325K
<b>Port Charlotte</b> - 3 ops RE Available	\$430K	\$345K
<b>Venice</b>	Associate	

### SPECIALTY PRACTICES

<b>Naples</b> - Oral Surgery	\$450K	\$300K
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### NORTH FLORIDA

Paul Rang, DMD, JD 407-839-8422  
paul@professionaltransitions.com

	Gross	Ask
<b>Ponte Vedra/Jax</b> - 6 ops. FFS/PPO Pan.	\$560K	\$375K
<b>Tallahassee</b> - 3+1 ops FFS/PPO RE Avail.	\$450K	\$295K
<b>Wewahitchka</b> - 3ops FFS/PPO RE Avail	\$250K	\$085K

### OTHER OPPORTUNITIES

We currently have buyers looking for the following:

**General:** Broward, Charlotte, Collier, Dade, Orange, Sarasota  
**Orthodontist:** Broward, Collier, Dade, Lee, Manatee, Sarasota  
**Pedodontist:** Broward, Dade, Palm Beach  
**Periodontist:** Broward, Palm Beach

### WEST COAST

Paul Rang, DMD, JD 407-839-8422  
paul@professionaltransitions.com

Greg Auerbach, MBA 941-746-7959  
greg@professionaltransitions.com

	Gross	Ask
<b>Avon Park</b> - 4+2 ops FFS RE Avail.	\$561K	\$365K
<b>Bradenton</b> - 5 ops FFS RE Avail.	PENDING	
<b>Brandon</b> - 3 ops FFS Pan. Digital X-ray	\$342K	\$225K
<b>New Pt Richey</b> - 4+2 ops FFS Pan. RE Av.	SOLD	
<b>Sarasota</b> - 3 ops FFS/PPO	\$175K	\$095K
<b>Sarasota</b> - 2+2 ops FFS/PPO Pan.	\$315K	\$125K
<b>Spring Hill</b>	Associate/Buy-In	
<b>St. Pete</b> - 8 ops FFS/PPO	\$1.2M	\$925K
<b>Tampa</b> - 3 ops FFS 2 days/week	\$225K	\$150K
<b>Tampa</b> - 4+1 ops FFS Pan.	PENDING	

### SPECIALTY PRACTICES

<b>Tampa</b> - Pedo	SOLD	
<b>Tampa</b> - Prosthodontics FFS 2days/week	\$216K	\$150K

### CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD 407-839-8422  
paul@professionaltransitions.com

	Gross	Ask
<b>Clermont</b> - 3 ops FFS	\$693K	\$395K
<b>Cocoa Beach</b> - 5+1ops FFS RE Avail.	\$651K	\$465K
<b>Cocoa Beach</b> - 6 ops FFS Pano. RE Avail.	\$1.1M	\$750K
<b>Crystal River</b> - Facility 3 ops Condo w/ Equip.	SOLD	
<b>Daytona Beach</b> - 4 ops FFS RE Avail.	\$480K	\$375K
<b>Daytona Beach</b> - 3 ops FFS RE Avail.	\$475K	\$325K
<b>Gainesville</b>	Associate/Buy-In	
<b>Lakeland</b> - 4+1ops FFS/PPO Pano RE Av.	\$402K	\$225K
<b>Leesburg</b> - 3+1 ops FFS Pan. RE Avail.	\$431K	\$250K
<b>North Central FL.</b> - 4ops FFS RE Avail.	\$297K	\$165K
<b>Ocala</b> - 4+4 ops FFS 2 days/week	\$441K	\$325K
<b>Orlando</b> - 3+2 ops FFS/PPO Pan.	PENDING	
<b>Orlando</b> - 3 ops FFS/HMO RE Avail.	\$528K	\$345K
<b>Orlando</b> - 5+1 ops PANO FFS/PPO	\$630K	\$200K
<b>Orlando</b> - 3 ops 2 days/wk FFS/PPO	\$202K	\$125K
<b>Palm Coast</b> - 3+1 ops Pan. FFS/PPO	\$346K	\$265K
<b>The Villages</b>	Associate/Buy-In	

### SPECIALTY PRACTICES

<b>Orlando</b> - Orthodontics 3days/week	\$577K	
<b>Treasure Coast</b> - Prosthodontics	\$635K	\$495K



<http://www.professionaltransitions.com/nl> or <http://www.dentalsales.com>  
info@professionaltransitions.com

Exclusive Florida Broker for American Dental Sales  
Licensed Real Estate Broker  
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