



Practice Transitions Made Perfect™

Newsletter Article Reprint

How Important is Money?

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In looking for a practice to purchase, how do you decide which practice you are interested in purchasing? What is important to look for? What are you buying?

Many purchasers, who are in the process of selecting a practice, indicate that money is not the most important issue; how much money that can be made in the practice, is a secondary consideration. They tend to focus on the age of the equipment and the color of the office wallpaper. This of course, can be a disastrous mistake. Money should be a major factor when selecting a practice opportunity.

Consider how many years you plan on practicing dentistry; Twenty, thirty years or more? Most never consider that question. Many dentists though, do not ever practice as long as they would project due to disability or illness. Money might not be a major factor now, but what happens if you cannot continue your practice and lose your income? How will you and your family continue your lifestyle? Of course you don't have a problem now, but how do you plan for debilitating contingencies? Disability insurance can certainly help, but many dentists have found that disability insurance by itself is not enough to maintain their lifestyles.

Since no one knows how many years you will have to earn a living practicing dentistry, the ability to make money while you can is very important. You have an unknown, albeit finite, number of years to practice dentistry.

Dentistry is hard work. You went through many years of school to make a good living and to provide financial security for you and your family. Money is not important unless you are already rich. In that case, you can afford to disregard the business of dentistry and just do it as a hobby. For most dentists, though, that is just not reality.

Financial security will not be achieved without considering the financial consequences of your decisions. A dental practice opportunity should be viewed for its earning potential. This should be a very important consideration. The more money you earn now, the greater the chances you will have to ultimately achieve financial security in your professional lifetime. Most dentists today are not able to retire from their practices with enough savings to retire and maintain their present standards of living. True financial security will only be achieved by generating enough money to establish an acceptable lifestyle and having the discipline to invest to maximize the effects of compounding interest on investments.

If you are one of those doctors who will depend upon your dental practice to provide a living and a comfortable retirement, you should evaluate all practice opportunities, not from a cost perspective, but from its present and future income potential. Practice equipment can always be replaced and changed. A practice's esthetics and decorations are modifiable. Practice income though, usually does not change immediately. Practice opportunity should be definable as the ability to derive a true net income from the business you are going to acquire.

ADS Florida, LLC can assist you in your practice evaluation and acquisition. Please contact us for further information on our services at info@adsflorida.com or call at 800-262-4119.

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