



ADS Florida BuyLine

OPPORTUNITIES FOR DENTAL PRACTICE BUYERS & ASSOCIATES

APRIL 2012

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Close-Up On Imaging Systems



When Your Partner Becomes Your Ex

ADS Florida
Congratulates

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Orlando

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to Amer al Shareef DDS
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Jay Kaltman, DDS to
Kenneth Cohen-Sasson, DMD
Plantation

Dan Casel, DMD
has joined the practice of
Michael Axelrod, DDS
West Palm Beach

Practice Imaging Systems: Take a Close, Hard Look at Quality, Support and Upgrades

by Bryan Currier, Advantage Tech



When you're considering purchasing a practice, one of the core technologies to look at carefully is the imaging system being used. An existing imaging system can be a great asset to a practice if it has been properly updated, or a huge liability if it has not been kept current. During your transition, consider the following guidelines. A practice following these guidelines will have a much higher success rate integrating imaging technology than one that does not.

1. Run with the group

When discussing practice management software in the last issue, I outlined the advantages of going with a mainstream product. The same advantages apply to imaging. There are some great choices available: Schick, Dexis, Carestream, Gendex, etc. These are all high-quality products, supported by excellent companies. The initial cost may be a bit higher, but you need to look at the total cost of ownership (TCO) of these products.

We have a motto at Advantage Technologies that we repeat to our customers over and over during the design of any I.T. (and consequently imaging) system: "Nothing is as expensive as downtime." The savings that you can experience with a cheap sensor purchased online will very quickly be eliminated the first time there is a problem. At that point, you would gladly trade the money you saved for the phone number of a local representative who can help you get a sensor overnighted (or better) to your practice, with minimal hassle.

2. Stay with support

Question: Should you pay for imaging support (sensors, PSP, pan, etc)? **Answer:** Absolutely! These devices are critical to your practice, and protecting them is a sensible and sound investment in your practice.

Another consideration regarding support: it is not just for the device itself. Support includes all the future updates to that imaging software. As new technologies emerge, operating systems are updated and bugs are fixed, as well as a multitude of other issues. It is imperative that you have these updates. As an example, a few years ago I had a customer who was using a digital system on the Apple Mac OS. Apple released an update, but the new update was incompatible with the four-year-old version of his imaging software. Had he been on the most current version, this would never have been an issue.

3. Watch for upgrade opportunities

Imaging devices such as pans can last 20+ years. Sensors and intraoral cameras can last 10+ years, but you would normally want to look at an upgrade prior to that. Newer designs, simpler interfaces, improved reliability and image quality, and patient comfort are just some reasons. Watch for "upgrade" pricing available through your local representative. This is an occasional event, but if you are looking for the opportunity, it can save you some time and money.

Bryan Currier is president of Advantage Technologies, a computer and networking company dedicated to serving dental practices. Bryan has 13 years in the industry and has assisted nearly 1,000 practices with various IT needs throughout his career. He has spoken at various events, including the Carestream Users Group and Microsoft Worldwide Partner Conference, and has been published in various trade journals. He resides in Florida with his wife and four children.

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ADS Florida's specialized network includes relationships with the leaders in the dental transition industry including:

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But what if it doesn't work out?

Get Expert Help to Minimize Future Problems



Recently, we were contacted by a dentist looking for an expert witness to assist in a legal dispute with a former partner. Several years ago, she had reached out for assistance in forming a partnership, but when confronted with having to pay for the services, chose to do it herself. She now admits that she went to the Internet, old employment contracts and dentist friends, and patched together an agreement with her partner. She sold him a portion of the practice, and they practiced for almost four years before they began to experience personal and professional disagreements. The problems escalated until the partner left the practice. He then filed a lawsuit demanding the return of his investment/purchase and additional money for damages.

The end to this sad story is that eventually both parties filed for bankruptcy, the practice closed and the litigation escalated into a very costly battle that continues to this day. The original owner estimates that over \$200,000 has been spent to date, and they are just now preparing for their final arguments in court.

Unfortunately, this is not a unique or extreme case. Over the years, we have served as expert witnesses in similar partnership dissolution or other transition-related litigations. In truth, there is nothing that can prevent partnerships from failing. However, anticipating the possibility of failure and building the remedies and provisions into the partnership agreements that allow for dissolution without the distress and cost of extended litigation is very doable.

Similarly, in a practice sale where the seller will be leaving, there are things to look for, representations and warranties that are important to consider, as well as steps to take during the process to minimize the possibility of future trouble.

Are your economic expectations realistic?

In any type of transition, it is important that the parties understand what they are getting into and understand the ECONOMICS of the transaction and relationship. The above relationship came apart because there was a misunderstanding of the economics. Neither party understood the impact of having two dentists in the practice, and each had greater expectations than were realistic. When their expectations were not realized, the differences grew and eventually led to the breakup of the practice and accusations against the other to the point of filing lawsuits.

In a multi-doctor practice, even if the economics are detailed, understood and accepted by all parties, additional discussions are necessary to review all the other elements of running a practice with more than one owner. This is where a transition consultant familiar with partnership relationships can be of great assistance. Some issues that should be discussed are management of the practice, fee schedules, staffing requirements and compensation, clinical philosophy, work schedules and new patient assignments, but also many more.

Similarly, with a practice sale, if there are unrealistic expectations on the part of either the buyer or seller, a fair transaction may not be possible. If the numbers don't really work, or are presented incorrectly, it is unrealistic to believe that a practice's financial picture will immediately improve just by replacing the dentist/producer. When a bank says "no" and the seller agrees to finance the transaction, similar outcomes, including bankruptcy and closing the business, have been experienced.

In a practice sale, what are the responsibilities of each party before and after the sale? What are the expectations of each party? Generally, without an experienced consultant, the important questions of how the practice operates before and after the sale may never be discussed, which can lead to costly litigation in the event of contract breach(es).

Once all of the basic issues and terms are agreeable to both parties, your transition specialist may have "standard" draft documents that can be provided as a template; or an attorney who has significant experience in drafting legal dental agreements should be engaged. In the case of a partnership, the attorney should memorialize your partnership agreement to include any and all of the above as well as dissolution provisions in the event the partnership fails.

Put it in writing

The dissolution provisions in most partnership agreements are usually the most lacking. The provisions should include how the practice will continue in the event of a partner's death, disability, voluntary retirement, loss of license to practice and, of course, incompatibility of the parties and a decision to dissolve the partnership. These provisions should include the financial terms of the dissolution, insurance coverage for death and/or disability, and how one or the other party is to be compensated for their interest in the practice if departing.

Without discussion and putting these provisions IN WRITING in the partnership agreement, there will be misunderstandings, misinterpretations and, very often, costly litigation to sort out a fair and reasonable solution. That fair and reasonable resolution may not be fair or reasonable in the eyes of one or the other parties, but that is what the courts are for, and that is what will ultimately cost thousands (perhaps hundreds of thousands) of dollars and untold grief to resolve.

Whether it be for a straight sale or more "complex" multi-doctor transition, engaging qualified experts who understand dentistry and the nuances of transitions is the best way to avoid the probability of finding oneself in a very costly and distressful lawsuit that ultimately will cost many times the cost of hiring qualified experts to assist in the first place.

General and Specialty Practice Purchase Opportunities

NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Jacksonville	5+1 ops FFS/PPO Pano	\$688K	\$188K
Lake City Area	5 ops FFS Pano 3 days/wk RE Available	\$348K	\$107K
Pensacola	4 ops FFS/PPO Pano 3 days/wk RE Avail	\$469K	\$128K
Pensacola	3 ops FFS/PPO Dig X-ray & Pano RE Avail	\$303K	

Specialty Practices

		Gross	Buyer Net
Jacksonville	Perio 3 ops FFS Pano Dig X-ray RE Avail	\$532K	\$177K
NE Florida	Endo 4 ops Dig X-ray microscopes	SOLD	
NE Florida	Endo 4 ops Dig X-ray microscope	\$516K	\$224K
NE Florida	Pedo 7 ops Real Estate Available	\$1.25M	\$485K
NE Florida	Ortho - multiple locations 3 days/wk	Ask \$150K	
NE Florida	Endo 2+2 ops	SOLD	
NW Florida	Endo 3 ops Dig X-ray microscopes	\$648K	\$330K
NW Florida	Perio 5 ops FFS/PPO Dig X-ray	Ask \$475K	

SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net
Boca Raton	5+1 ops FFS	SOLD	
Coral Springs	5 ops FFS PPO Dig X-ray and Pan	Ask \$225K	
Delray Beach	3+1 ops FFS Dig X-ray and Pan	UNDER CONTRACT	
Ft. Lauderdale	2+1 ops FFS	Ask \$165K	
Miami Gardens	3 ops PPO HMO	\$475K	\$134K
West Palm Beach	6 ops PPO FFS	SOLD	

Specialty Practices

NE Brow. County	Periodontics 4+1 ops FFS w/condo	SOLD	
SE Florida	Orthodontics 4 open bay+1 ops FFS	SOLD	

Practice Ready Facilities

Aventura	Oral Surgery or Perio 2 OR + 2 ops ICAT	ASK \$260K	
Boynton Beach	4 ops plumbed for nitrous	FOR RENT	

WEST FLORIDA

Contact: Greg Auerbach, MBA

		Gross	Buyer Net
Arcadia	3 ops 100% FFS, Starter/Satellite	Ask \$97K	
Bradenton	4 ops 100% FFS Nearly Paperless	\$415K	\$122K
Bradenton	5 ops 100% FFS Dig X-ray, Cerec & Laser	\$625K	\$161K

Specialty Practices

Land O' Lakes	2+3 ops Dig X-ray, Pano		
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SOUTHWEST FLORIDA

Contact: Greg Auerbach, MBA or Philip LoGrippo, DMD

		Gross	Buyer Net
Cape Coral	4+1 ops Digital Charts and X-ray	UNDER CONTRACT	

CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Cocoa Beach	4 ops FFS/PPO 3 days/wk	\$374K	\$112K
Levy County	7 ops 3 days/wk	\$362K	\$145K
Melbourne	7ops FFS/PPO Dig X-ray	UNDER CONTRACT	
Orlando	4 ops FFS Pano, Dig X-ray	SOLD	
Orlando	4 ops FFS/PPO	SOLD	
Space Coast	6 ops FFS Dig X-ray Pano	SOLD	

Specialty Practices

Central FL	Prosth 5 ops FFS Pano	\$798K	\$235K
Central FL	Perio 8 ops FFS Pano	UNDER CONTRACT	
Space Coast	Perio 4 ops FFS Pano 3 days/wk	\$380K	\$139K
Ocala	Perio 4 ops FFS	\$772K	

Practice Ready Facilities

Ormond Beach	2,000 SF Condo, 5 ops, specialty prac.	Ask \$307K	
Merritt Island	2,000 sq ft office, 4 op, pano, Dig X-ray		

Associateships

General Practice	Palm Coast		
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For the most recently updated listings visit listings.ADSflorida.com

Q&A

Q: Will my patients accept a new dentist?

A: Your patients will accept a new doctor if the introduction and transition are handled the right way. The current dentist's endorsement, coupled with staff acceptance and enthusiasm, is the key.

For answers to more Frequently Asked Questions, go to FREQ.ADSflorida.com

What Our Clients Say

" I have dealt with many transition brokers. All I can say is, not all transition brokers are made the same. Paul Rang was very professional. One thing I have learned throughout this process is that it should be very detail-oriented and customized to your needs. I will recommend Paul to any of my friends and colleagues looking to sell or purchase a practice. "

- J. Dieter Burr, DMD

Meet the ADS Florida Team



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Inside This Issue

- I Get Ready for Your Close-Ups: Evaluating Practice Imaging Systems
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- I Location, Location, Location: Listings from all around Florida.

ADS Florida's Hy Smith will follow up last year's successful, three-part practice transition program with insightful strategies for maximizing practice value. With his advice, dentists have added thousands to their current income and retirement, so stay tuned for more details.

Hy Returns to FNDC

Save-the-Date: Saturday, June 16th



insight series
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