



ADS Florida BuyLine

OPPORTUNITIES FOR DENTAL PRACTICE BUYERS & ASSOCIATES

MARCH 2013

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Balancing Act



Go Modern!
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practice value

ADS Florida
Congratulates

David Ross, DMD to
Erin Kahlon, DDS
Cocoa Beach, FL

Patrick Simpson, DDS to
Elizabeth Alfunte, DMD
Jacksonville, FL

Kevin Rudd, DDS to
Frank Murray, DDS
St. Cloud, FL



Effective Negotiations: Making Your Purchase a Win-Win

So, you are contemplating the next step in your dental career: a dental office to call your own. This is what you have dreamed of for as long as you can remember, right? How hard could a purchase be? After all, Dr. X wants to sell and you want to buy...this should be easy, right?

Not really. Once you find your dream practice, how do you know that you are getting a fair deal? What are the major items to be negotiated and what is the best strategy for a successful purchase? Is there an office lease or will I purchase the real estate too? What about the accounts receivable or the equipment and inventory? These are some factors to consider and potentially negotiate when looking at a purchase.

Look Before You Leap

Planning is always number 1... Just like a successful case presentation, the more planning that goes into your purchase, the better the chances of a successful outcome. Research on location, patient demographics, the number of dentists in the area, population growth and potential referral sources are some areas to consider. Once you have familiarized yourself with those items, you will be ready to narrow your search and make an offer when you find the right practice. The more information that you have about a particular practice for sale, the better your chances of a successful purchase.

In *7 Habits of Highly Effective People*, Steven Covey recommends starting with the end in mind. Envision the success of the purchase transaction before your begin. Have your ideal outcome in mind and do not be afraid to present it from the start. Ask as many questions as possible about the practice, particular dental philosophy and the seller's plans for the future.

Better to Collaborate Than Compete

Keep in mind, occasionally, the negotiating and purchase process becomes challenging and stressful. The best negotiators think in terms of cooperation and collaboration instead of competition. Competitors like "I win, you lose" outcomes. The best-case scenario often occurs when you negotiate from the collaborative mind set. This type of negotiation happens when both parties work together for the common good. "How can we structure this transaction so we are both treated equitably at the closing table?" The answer is fair compensation for a fair market value. This is the best way to work toward the common goal of a successful purchase and sale.

In the end, research has shown that while price is often an important factor in purchase negotiations, money does not always correlate as much to lasting happiness as friendships and social ties do. Your practice purchase involves people and personalities as much it involves price and terms. Balance among all of those factors is a worthy goal to aim towards for a long lasting and financially rewarding dental practice.

For more information on successfully negotiating the purchase of your dream dental office, please contact your local ADS Florida representative.



Get Modern with Marketing Your Practice

The recent explosion in technology has resulted in the Internet influencing how people do most everything in their lives, including how they choose and communicate with a prospective dental office. In turn, there has been a significant corresponding change in what marketing strategies are most effective for today's modern dental practice. A close evaluation, and update of your marketing strategy, may be more essential now than ever before.

Younger dentists and new purchasers will especially need to earn more from their practice than those of the past. Educational debt has increased at alarmingly high rates. The importance of sustained practice growth via new patients, and the corresponding increase in revenues, cannot be overstated. If you have recently purchased a practice, the traditional marketing that was more than adequate over the years for the seller, is no longer sufficient going forward. Effective internal marketing, including delivering an extraordinary patient experience, are still critical for the success of your practice, but may no longer be the primary way of attracting a new patient.

Traditional Marketing: No Longer Enough

Until now, many well established practices had sufficient levels of practice growth and were highly successful utilizing traditional marketing. In traditional marketing, new patients are attracted by word of mouth referrals from existing patients, through the yellow pages, or both. Patients from the best practices would become practice advocates by telling their peers about their dentist and the new patient's first contact with the office would be by phone.

However, the effectiveness of "traditional marketing" methods to those driven by the power of the web has accelerated at full throttle. The online health audience was over 60% of US adults in 2009 (Manhattan Research, 2009) and 88% of Internet users searched for health information online in 2010 (Harris Polling, 8/4/10). Many practices that continue to rely on traditional marketing methods alone are experiencing decreases in new patient numbers along with overall revenue. Initially, this decline was attributed to the economy. However, the continued assumption that this is still stunting growth, may be preventing some dentists from recognizing other changes that are affecting the health of their practice.

Leveraging the Internet: Beyond a Website

Today's patients are using the Internet as the primary research tool to decide which dental office they will use, and the first contact with

your office is often via your website. A prospective patient is making a decision whether to make an appointment with your practice based not only on the effectiveness of, and access to your website, but on Internet tools that provide reviews of you and your practice. Your website, and the Internet, along with social media, are platforms that both you and your patients are using to communicate about your office to practically the entire world.

For practice growth and to increase revenue in the future, it is imperative for you to not only have a website, but to have a highly effective website. There has been a distinct evolution in what websites can and should communicate to patients, as well as a corresponding evolution in a patient's expectations of, and ability to navigate a website. If you don't currently have a website, establishing one would be an essential first step. If you already have a website, it should be continually reviewed and updated.

Going Beyond What Patients See

There are other factors that should be considered in updating your marketing strategy. In the past, just having a website was adequate. Now, in a recent presentation by The Pride Institute, "The Complete Dental Marketing Plan," dental marketing expert Naomi Cooper explains that "taking charge of your online presence" is another significant factor in today's modern marketing approach. She describes an important component of this as "online reputation management", which involves monitoring and influencing the web based information about you that extends beyond what patients view on your website. People are evaluating you through other media such as online reviews and social media profiles. An additional component of your online presence is described as "search engine optimization" or SEO, which is defined as "the art and science of making a website rank higher in search engine results." "Google" and "Yelp" have become everyday tools for our prospective new patients, and the position of your website, or your website "rank," may be the difference between a patient ultimately having access to your site and whether they make an appointment.

Since it is unlikely that most dentists have the time, desire and skills to create and implement a truly effective modern marketing plan, most often it is best to partner with qualified professionals. In choosing a marketing professional, it is essential to find one that has specific dental practice marketing experience. Some of the information presented here can be used as a guideline in making this most important practice decision. You can also contact your local ADS Florida transition specialist for additional guidance.

General and Specialty Practice Purchase Opportunities

CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net*
Clermont	6 ops FFS/PPO Dig X-Ray + Pano	UNDER CONTRACT	
Cocoa Beach	4 ops FFS/PPO 3 days/wk	SOLD	
Daytona Beach	4 ops FFS/PPO Dig X-Ray + Pano	\$950K	\$414K
Kissimmee – St Cloud	5+2 ops FFS RE available	SOLD	
Levy County	7 ops 3 days/wk	\$362K	\$145K
Ocala	5 ops FFS Dig X-Ray + Pano	\$1M	\$294K
Orlando	5 ops FFS Dig X-Ray Cerec	SOLD	
Orlando	3+3 ops FFS/PPO Pano	UNDER CONTRACT	
Orlando	2 locations w/ 3 ops FFS	\$525K	\$170K
North Orlando	3 ops FFS Pano	\$549K	\$192K
Winter Park	4+1 ops FFS/PPO	UNDER CONTRACT	
Winter Park	5 ops FFS Pano, Dig X-Ray	UNDER CONTRACT	

Specialty Practices

Central FL	Prosth 5 ops FFS Pano	\$798K	\$235K
\$235K	Endo 5 ops	\$587K	\$312K
Central FL	Endo 2 locations w/ 3 ops	\$505K	\$193K
Central FL	Pedo 5 ops Pano-Ceph	\$503K	\$143K
Central FL	Pedo 5 ops, Pano, Dig X-Ray	\$1.27M	\$492K
Central FL	Pedo 3 ops	\$550K	Ask \$200K
Central FL	Ortho 5 ops Pan-Ceph RE avail		Ask \$95K

Practice Ready Facilities

Ormond Beach	2,000 sf condo, 5 ops, specialty prac	UNDER CONTRACT	
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SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net*
Coral Springs	5 ops FFS/PPO Dig X-Ray and Plan	Ask \$150K	
Delray Beach	4 ops FFS/PPO Dig X-Ray with Condo	Ask \$250K	
Ft. Lauderdale	2+1 ops FFS	Ask \$125K	
Lauderhill	5 ops PPO/FFS	\$485K	\$130K
Miami Gardens	3 ops PPO/HMO	\$450K	\$110K
Tamarac	4 ops FFS/PPO/HMO Publix Shop Ctr	Ask \$150K	

Specialty Practices

Miami	2 Orthodontic ops busy shopping ctr	Ask \$65K	
W. Broward County	Oral Surgery: Dental alveolar/implant	\$750K	\$220K
W. Broward County	Perio, 5+1 ops, 2,500 sf condo	Ask \$550K	

Practice Ready Facilities

Ft. Lauderdale	4 ops fully equipped, newly renovated	Ask \$60K	
Miami Beach	2 ops fully equipped w/ Pan	Ask \$75K	
Port St. Lucie	2+2 ops D X-Ray 1250 sf, Pelton Crane	Ask \$200K	
Pompano Beach	1,800 sf building, 6 ops, plumbed lab	Ask \$350K	

NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net*
Jacksonville	6 ops FFS/PPO Pano	SOLD	
Pensacola	3 ops FFS/PPO Dig X-Ray, Pano, RE	Reduced to \$225K	

Specialty Practices

NE Florida	Pediatric: 7ops, Real Estate Avail	UNDER CONTRACT	
NE Florida	Ortho 5+1 ops, 3 days/wk		
NE Florida	Endo 3 ops Dig X-Ray microscopes	\$950K	\$414K
NW Florida	Endo 3 ops Dig X-Ray microscopes, RE avail	\$648K	\$330K
NW Florida	Perio 5 ops FFS/PPO Dig X-Ray	\$362K	\$145K

SOUTHWEST FLORIDA

Contact: Greg Auerbach, MBA or Philip LoGrippe, DMD

		Gross	Buyer Net*
Fort Myers	5ops FFS Well Established Practice	UNDER CONTRACT	
Fort Myers	3ops FFS/PPO Long Standing Practice	\$460K	\$137K
Naples	4+1ops FFS/PPO Dig X-Ray/Pan	SOLD	
Naples	4ops FFS Great Location	\$358K	\$96K
Sanibel Island	2 ops, Expandable, FFS, 3 days/wk	\$461K	\$174K

Specialty Practices

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

Naples	Endodontic Practice		
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WEST FLORIDA

Contact: Greg Auerbach, MBA

		Gross	Buyer Net*
Bradenton	5 ops FFS Dig X-Ray, Cerec & Laser	\$650K	\$196K
Bradenton	5+1ops FFS/PPO	UNDER CONTRACT	
Riverview	6 ops Digital Pan Paperless	UNDER CONTRACT	
Sarasota	5 ops FFS Digital X-Ray Cerec	\$1.2M	\$345K
Sarasota (South)	4 ops FFS C&B/Rest	Ask \$160K	
Tampa	6 ops FFS/PPO Pan Ready to Grow	\$435K	\$75K
Tampa (Northeast)	5 ops FFS/PPO/Cap Paperless	\$785K	\$300K



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

*Buyer net includes the debt service on 100% financing of the asking price

Q&A

Q: I have read that dental practices are worth 70% of their gross receipts averaged over the past three years. Is that true?

A: While three years of financial information is important to determine the value of a practice, rules of thumb are simplistic and don't usually provide the correct value. To find out the true value of a dental office, an expert in transitions should be consulted to conduct an evaluation or full appraisal on the practice.

What Our Clients Say

"It was a real pleasure and blessing in disguise working with Dr. Paul Rang. Looking back almost two years, I am thankful that Paul came in and patiently explained and guided us through the process. He never rushed us, always exemplified patience, and allowed ample time for everyone to feel comfortable with all aspects of the deal. Hence there are no regrets. Hands down, I would highly recommend Dr. Paul Rang to anybody hoping to transition, partner, sell, or even mediate a dental practice deal."

- Mainak Patel, DMD

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