



# **Buying and Selling a Practice: How to set yourself up for Success**

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# Transition, Success, and Succession Planning



# Introduction and Agenda

- What to consider as the Buyer
- Preparing the Business to be sold
- Potential ways to structure the deal



# Good questions to think about when searching for the right clinic

- Is it a practice you have worked in before or currently work?
- How well do you know the current clientele, if so?
- Is the practice in a growing market?
- Are there multiple owners?



# Getting Your Personal Finances in Order



- Knowing what your credit score is, and if necessary, how to improve it
- Saving up capital reserves
- Developing a banking relationship
- Have your protection issues addressed



# Working with Clinic

- Tell the current owner(s) of your interest in owning a practice.
- If you have a relationship already, take that opportunity to learn the ins and outs of the practice
- Ask to see and review the current financials
- Ask to see and review the current articles of incorporation and all relevant legal documents
- Obtain a third party valuation
- Most importantly, make sure you and the seller have similar expectations



# Questions?

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# How to Prepare to Sell Your Veterinary Practice





# Clean up the Profit & Loss and the Balance Sheet

- Travel & Entertainment
- Personal Benefits
- Identify the on-going liabilities
- The importance of doing this: To Demonstrate the Real Value of the Practice



# Identifying a Buyer

- Current associate(s)
- Family Member
- Local Competitor
- Regional or National Chain
- If possible, have multiple qualified prospective buyers...Just In Case
- Once contact has been made and the process begins, Stay in Communication



# What is the Practice Worth?

- Review the clean financials
- Get a third party valuation that uses multiple metrics
- Establish a price and a range you are willing to accept
- Know the demographics of who you'd like to sell to
- Make the Practice presentable
- The business is only worth what you're willing to sell it for, and what someone is willing to pay for it!



# Preparing the Documents



- After cleaning up all the financial documents, keep them available to give to qualified prospective buyers with ease.
- Develop a list of the assets/liabilities will be included with the practice.
- Gather all other relative information: lease agreements, deeds, employee census, 3-4 years of tax returns, etc.



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**Your “Why” can  
Affect Your “How”**

# Reasons Why

- Retirement
- Partnership Disputes
- Illness and Death
- Becoming Overworked
- Boredom/New Life Adventure



# Timing of the Sale

- When do you want to sell it?
- How long do you want the process to take?
- Do you want to continue working as an associate?





# Designing the Deal

- Write a check
- Owner Financed
- Earn Out
- Bank Financed



# Who do I Involve

- Family
- My Team of Advisers
- Should I use a business broker?



# What else is Included

- How will the Real Estate be handled, if applicable?
- Is all the equipment changing hands?
- What about the employees?



# Handling the Profits

- Create a Plan
- Take your time and make decisions with a purpose
- Use professional help



# Bottom Line

- Time Consuming for Many
- Can be an Emotional Endeavor
- Planning Properly is Critical



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