



Quarterly Newsletter

INSIDE THIS ISSUE:

Should I transition my practice to a DSO or an individual dentist1

DPS, LLC vision of the dental practice transitions process.....2

Congratulations to our clients with successful sale.....2

Our current listings.....3

Should I transition my practice to a DSO or an individual dentist?



Every dentist nearing retirement should be aware of the differences between selling to a **Dental Service Organization** vs. selling to an individual dentist. While DSO's have been in the news, they still only represent an average of 10.4 % of the dental transactions in the United States. Therefore, selling to a dentist still remains a viable additional option for many retiring dentists.

Historically many dentists nearing retirement took on a younger dentist who eventually became a partner and who then bought out the remaining share of the retiring dentist. The increase in the debt many dentists now incur in dental school combined with the work and lifestyle goals of many young dentists has caused a significant decline in young dentists buying out older dentists.

However, at the same time there has been an increase in the number of middle-aged dentists who want to own several dental practices.

When looking at the pros and cons of selling to a DSO or a dentist one should consider:

Most DSO's:

- Are only interested in practices generating over \$1 million in receipts.
- Want the seller to work for the DSO for a period of time after the sale (often 1-2 yrs)
- Will hold back 20%-25% of the sale price and make it conditional on the practice and the seller meeting certain conditions
- Require the dentist adhere to the DSO's marketing and sales approach towards patients.

Most dentists:

- Are seeking practices with profits to the owner in excess of \$200,000
- Will pay the seller 100% of the sale price at the closing
- Require a 3–6-month transition period during which the seller introduces patients to the buyer and is paid for his/her time.

When negotiating the sale of your practice consider:

- The value of your fixed assets vs your intangible assets. Intangible assets include your goodwill and a restrictive covenant
- Will you or the buyer be retaining the accounts receivables.
- How will you be taxed on the proceeds from the sale?
- If you will be required to work for the seller, for how long, and how will you be paid?

If you have time before your sale:

- Understand a stable or growing practice is worth more than a declining practice
- Practices with a lower overhead percentage sell for higher prices
- Inexpensive facelifts improve practice values however expensive equipment purchase may not result in a return on investment

Finally, it is always wise to get an idea of the true value of your practice from an experienced dental practice appraiser or broker.

If you are considering transitioning your practice in the foreseeable future, please don't hesitate to reach out to one of our specialists. We are offering a free 45-minute confidential phone consultation which could be scheduled for a time convenient for you. Based on your individual circumstances and your retirement needs, we will be able to help you structure your practice transition plan and assist you with its execution.

Please call at 860-295-3055 or email to info@dentalpracticesalesllc.com

You can visit us at our website: <https://dentalpracticesalesllc.com/>

DPS, LLC vision of the dental practice transitions process:

Dental Practice Sales, LLC has over 75 years combined experience in the dental practice transitions field. Our staff includes a Certified Valuation Analyst and Healthcare Business Consultant. This allows us to offer accurate practice valuations to avoid missed opportunities. Expertise in the dental practice transition process allows us to guide our clients with the appropriate strategies and documentation to complete a successful dental practice transition and to avoid potential breakdowns in negotiations. We prepare a comprehensive dental practice profile. This reduces delays and enhances communication between buyer and seller. Our ability to help you navigate this complex process can provide a smooth and simple transition. DPS, LLC's clients also receive the benefit of enhanced terms on their practice transitions. We achieve this through our expert negotiations with sophisticated buyers. Our established network of potential buyers can lead to increased opportunities for offers. DPS, LLC's contact network and knowledge of the New England dental market can help us to identify ideal candidates who may be a better fit for your practice. Finally, we have developed a professional network of attorneys, CPA's and different lenders for assistance with financing. This unique combination of contacts and experience allows us to be the ideal partner for your potential dental practice transition.

Congratulations to Dr. Dennis S. Gianoli on the successful transition of his Berlin, CT oral and maxillofacial surgery practice to Rosenlicht & Ansari, P.C.!

Dr. Gianoli engaged DPS, LLC to locate a potential buyer for his oral and maxillofacial surgery practice. Due to a strong network and many local connections, our company was able to seek out the ideal match for a highly successful dental practice transition. John Quinlan had the privilege of guiding the Buyers and the Seller through the transition process that achieved the goals of both parties.

We wish the buyers much success as they continue providing care for their patients.

We wish Dr. Gianoli a happy retirement!

Congratulations from the entire Dental Practice Sales, LLC team!



Our current dental practice listings:

Connecticut

Derby, CT

General practice established in 2012 by the two partners/owners. Up until 2018-2019 this practice was thriving and, at certain point, collections exceeded \$1.4M. Due to the sudden death of one of the partners (main producer), revenue of this practice started rapidly declining. At this point in time, the practice has a patient base of approximately 800 active patients* and close to 8,400 patients of record) and welcomes in average 10 new patients per month. Practice revenues are a combination of Medicaid/Husky payments, patient paid and PPO insurance. It is conveniently located in professional building with ample free parking. Office occupies 2,400 sq. ft. (4 fully equipped treatment rooms).

Current collections: \$418K

Asking Price: \$349K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jq@dentalpracticesalesllc.com

Southbury, CT area

Private cosmetic practice located on the 2nd floor of a professional handicap-accessible building. Reasonable rent, ample free parking. The office occupies about 1,900 sq. ft. and consists of 5 fully equipped treatment rooms. Modern equipment, digital x-rays, pano, laser, etc.

Gross collections \$1,032,000 (about 27-30% comes from hygiene). Extremely low overhead (less than 40%).

Asking price: \$829K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jg@dentalpracticesalesllc.com

Harford, CT

General practice established in 2017 by the two partners/owners. Up until 2018-2019 this practice was thriving and, at certain point, collections exceeded \$460K. Due to the sudden death of one of the partners (main producer), revenue of this practice started rapidly declining. At this point in time, the practice has a patient base of approximately 1,400 active patients and welcomes in average 60 new patients per month. Practice revenues are a combination of Medicaid/Husky payments, patient paid and PPO insurance. It is conveniently located in professional building with ample free parking. Office occupies 1,380 sq. ft. (3 fully equipped treatment rooms). The office is currently open one day per week. Seller is very motivated.

Asking Price: \$229K

Condo unit is also for sale at \$120K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jg@dentalpracticesalesllc.com

Harford, CT area

Modern dental office located in a large shopping plaza, next to a Dollar Tree, liquor store, auto parts store and other businesses that attract plenty of foot traffic. Great visibility, large sign, storefront location, handicap-accessible office, ample free parking. There are 8 fully equipped operatories (digital x-rays and pano). Reasonable rent. Collections around \$700K.

Asking price: \$549K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jg@dentalpracticesalesllc.com

Kensington, CT

High-end general practice established over 50 years ago, acquired by the current owner in 2014. Stable patient base of about 1,000 active patients. Revenues are a combination of patient paid and PPO insurance. It is conveniently located in professional handicap-accessible building. Ample free parking. Office occupies 1,200 sq. ft. 4 fully equipped treatment rooms. Practice utilizes Easy Dental software.

Collection \$550-560K (only 3 days per week).

Asking price: \$429K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jg@dentalpracticesalesllc.com

New Britain, CT

Supermarket plaza, storefront handicap-accessible office, ample free parking. Four fully equipped treatment rooms, digital x-rays and pano. There are over 2,500 active patients (about 55-60 new patients per month).

Trained and loyal staff. Collections around \$800K.

Asking price: \$579K

If interested in this opportunity, please contact John Quinlan at 860-541-0554

or jg@dentalpracticesalesllc.com





Dental Practice Sales, LLC
261 South Main Street,
Unit 271
Newtown, CT 06470

Phone (860) 295-3055
Fax (888)390-0405
info@dentalpracticesalesllc.com

We're on the Web!

dentalpracticesalesllc.com

Bristol, CT

This high-end general dental practice established in 1981 by the current owner and operating in present location since 1993. Approximately 1,200 active patients (4-6 NP/month).

Insurance and private pay only (NO Medicaid). Stand-alone professional building; ample free parking. Office size 3,200 sq. ft. (6 fully equipped operatories); EagleSoft.

Collections \$700-700K

Asking Price: \$549,000. Building with one rental commercial unit is available for purchase at **\$650,000 (optionally)**

If interested in this opportunity, please contact John Quinlan at 860-541-0554 or jq@dentalpracticesalesllc.com

Massachusetts

Brockton, MA

General dental practice located on the ground floor of a professional condominium building. Four fully equipped operatories, digital x-rays, etc. Practice is currently operating 2 days per week.

Collections: \$200-250K.

Asking price: \$199K

The condo unit (1,148 sq. ft.) is also available for purchase. **Asking price for the unit \$195K**

If interested in this opportunity, please contact Alex Litvak at 617-240-2582 or alex.litvak@verizon.net

Framingham, MA

General dental practice located on second floor of a professional building. Other tenants of this building are a hair salon and insurance appraisal services. Office occupies about 800 sq. ft. and consists of 2 fully equipped operatories, reception area, front desk area, private office, sterilization area, laboratory area, panoramic x-ray area, storage, basement, mechanical room and 1 restroom. Modern equipment includes the hand-held digital x-ray, digital pano/3-D scanner (Kodak 9000), fiber/optic handpieces, endo equipment, etc. This is a totally paperless office, utilizing Dentrix practice management software.

This office has about 850 patients of record. Current collections approximately \$75K. This opportunity is This opportunity is offered as a "startup with 'bonus' patients".

Asking price: \$149K

If interested in this opportunity, please contact Alex Litvak at 617-240-2582 or alex.litvak@verizon.net

Sudbury, MA

PRIVATE boutique office located on the second floor of a professional building. The complex is situated next door to the affluent residential condo complex that could be a great source for new patients. Handicap-accessible building, elevator. Ample free parking. Two fully equipped treatment rooms. Gross collections around \$200K.

Asking price \$249K

If interested in this opportunity, please contact Alex Litvak at 617-240-2582 or alex.litvak@verizon.net

Practice in Marlborough, MA (Shopping Mall)

Established in 2015 by the current owners. Practice has a stable patient base (over 1,500 active patients) and welcomes in average 25 new patients per month. Located in the busy Shopping Mall, next to the TGI Friday's Restaurant and SEARS Center. Prime store-front location; large sign; great visibility; plenty of foot traffic. Ample free parking, easy handicap access. Office occupies 1,400 sq. ft. (3 finished and equipped treatment rooms + one more is available). Collections over \$550K and growing.

Asking price: \$359K

If interested in this opportunity, please contact Alex Litvak at 617-240-2582 or alex.litvak@verizon.net