

Maximize Your Chances of Selling Your Dental Practice and Your Sales Price – Part 1

5 Ways to Improve the Selling Price of a Dental Practice

When someone wants to sell their home, what is the first thing that comes to mind? Typically they will start by improving curb appeal, cleaning out the clutter and making sure it is spotless, and making it more appealing to the masses. Sellers of **dental practices** need to think the same way. Here are five ways a **dentist** can **clean** their house before they put their **dental practice up for sale**:

1. Clean up your practice management software – check for old uncollectible balances and write them off. If any of the accounts are collectible, get on them, offer discounts to collect them and clean up the accounts receivables. Check the procedures that the **hygienist** gets credit for and make sure those are accurate. Be sure your **fee schedule is up to date**, even those procedures you haven't performed in ten years. Eliminate, if you can, any **provider codes** like a hygienist that hasn't been there in five years or a dentist, i.e. associate and/or original owner provider codes that are still lingering in the system.
2. Clean-up your other record keeping – Make sure expenses are coded properly and **discretionary expenses** are easily identified. Remove any expense accounts you haven't used in five years. Have the records filed away in an organized manner so they are quickly accessed when requested by a potential **dental practice buyer**. Have an organized filing system for your accounts payable invoices and your **dental patient charts**. This will make it easier on you when the information is requested or when asked questions to support certain expenses etc. It will also make it easier on the buyer for their due diligence.
3. Clean up your office – get rid of the clutter lying on the desk in the reception area and get rid of the “stuff” lying on counters in your lab and kitchen area. Spruce up the reception area and the operatories with up to date décor and a fresh coat of paint, if necessary. Look for opportunities to replace old, outdated pictures with newer, relevant artwork. Be sure the private offices are tidy and without clutter and get the carpets or flooring cleaned. Simple things... you're not looking to spend a ton of money, hopefully. Make sure the outside is as appealing as you can make it depending on your control over the **location of your dental practice**.
4. Clean up your staff - make sure their compensation is reasonable and you separate regular wages with discretionary bonuses. Remind them how generous you're being to them and that the new owner may not be in a position to be as generous to them. If you're providing unusually generous paid vacation, sick, and holiday pay and year-end holiday bonuses, make sure they understand these are discretionary fringe benefits you've been able to afford to show your appreciation of them.

N/L Transitions

Dental Practice Sales / Practice Value Assessment / Buyer's Representation

5. Clean up your other overhead – keep in mind you should have been doing this anyway and well before you decide to **sell your dental practice**. Make sure you only buy the things you need and be sure to price shop. Make sure your staff remains vigilant about spending to control overhead. Evaluate some of your services like telephone, gas & electric, internet or cable, your insurance needs and make sure you're not overspending. Be an excellent CFO....profits drive value and the more profits your practice shows the more value you're likely to get.

I am certain there are other areas of your **dental practice** you can clean up, just as would do when selling your home. Many of the items will be easy and inexpensive fixes, however, they will go a long way in making your dental practice that much more attractive to a **prospective buyer**.

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