

Silent Partner Allows Specialist to Focus on Patient Care

Many dentists enjoy the clinical aspects of owning a practice but do not necessarily enjoy the business and administrative functions. This was the case for an oral and maxillofacial surgeon who came to the decision to sell part of his practice. After careful consideration, the doctor chose Large Practice Sales as his advisor for this process. LPS is a dental practice advisor that assists dental professionals of all specialties in monetizing their business. The company's unique niche is matching doctors who are not yet ready to retire with "invisible" dental support organizations (DSOs), which become silent partners in the practice. This allows dentists to receive a substantial amount of cash up front, especially at today's high valuations, while continuing to operate their practice under their brand and with their team for many years to come. The doctor benefits from the new silent partner's capital and support to accelerate growth. As in the case of this oral and maxillofacial surgeon, it allows practitioners to focus on their favorite part about practicing dentistry: their patients.

What made you decide to sell part of your practice?

I considered many factors when deciding to sell my practice. I followed trends in both the medical and dental sectors as well as the current state of the economy. Additionally, with the level of motivation of many private equity company-backed DSOs to invest in larger practices, it seemed like the right time. There are definite advantages to being early in deals of this nature versus waiting too long.

How did you hear about Large Practice Sales and why did you choose them?

An orthodontic colleague referred me to LPS. After researching the company further, I learned that LPS has years of experience in these types of transactions. Competent negotiators who have your best interest in mind are crucial in establishing the value of your practice. Because LPS is paid only by its clients, the doctor eliminates potential conflicts with advisors who are paid by both buyers and sellers.

Did you consider other types of dental practice transitions?

I considered an associate to partnership structure, but today's associate student debt levels and high practice values really preclude a traditional associate buy-in transaction for a larger practice.

What changes have you seen since affiliating with the "invisible DSO"?

We are still in the early stages, but so far it's been great. While there have been challenges that are natural when going through this kind of process, I greatly value having a silent partner who is willing to communicate well and work through these challenges with me. We expect to gain a 25% or greater increase in production due to the synergies with our new partner's other affiliated practices.

Do you think LPS achieved a higher value for your practice?

I believe LPS was able to achieve the highest

value possible. I'm sure I would not have been able to accomplish this without them. Additionally, LPS was extremely helpful in the due diligence process and helping navigate the sometimes stressful and detailed waters of the closing process.

How has having a silent partner changed administrative workflow?

Having a silent partner who is extremely competent at taking over the administration—accounting, human resources, and so on—has allowed us to solely focus on patient care, which, ultimately, is what I enjoy the most about practicing dentistry.

How has your practice changed, both clinically and business-wise?

Our silent partner allows us the freedom to make our own independent clinical decisions. They do not dictate our level of care at all. We are able to leverage their business expertise and extensive resources for our continued growth, while still controlling the clinical side.

Does anyone other than your team know that you have sold?

Our staff was informed prior to the sale. Referring general dentists in the community are aware that we have affiliated with a silent partner. It is imperative that we control the message and that people know this will absolutely not adversely affect patient care. Patients do not appear to have any knowledge that we have a new partner.

Do you think you will grow your business next year?

The synergies with our new silent partner's nearby doctors will certainly increase our referral base and prepare us to open additional offices in the region. We anticipate continued growth and profitability, because, as a partnership, we are all highly motivated to continue growing together.

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Note: The names of the doctor and practice have not been disclosed so as to keep their identity anonymous.