

Large Practice Sales (LPS) helps dental professionals of all specialties monetize their life's work

Top 10 reasons endodontists choose an Invisible Dental Support Organization (IDSO) partner

The opportunities for endodontists to monetize a part of their practice with a silent partner, an Invisible Dental Support Organization (IDSO), have never been greater than today. Thanks to your performance during the COVID-19 era, endodontic practices are now the most valuable of all dental specialists.

This may or may not last, but there are at least eight endodontist-only IDSOs that have been formed in the past 2 years. They are eagerly contacting endodontists around the country, attempting to do deals directly with doctors. In addition, the multi-specialty IDSOs also have a renewed interest. The smart doctors will generate a bidding contest among all of the good ones to achieve the highest values with the best partners!

In a typical transaction, an IDSO will buy between 60% and 90% of a practice for cash up front. Doctors retain ownership of the balance and continue operating the practice under their brand, team, and strategy. The goal is to use the resources of a larger, silent partner to help the practice grow bigger, faster, and more profitably, benefiting both partners. Doctors also have significant upside potential in the value of their retained ownership.

While an IDSO partnership is not a fit for all doctors, it can secure a doctor's future and provide opportunities for wealth creation far beyond individual practice ownership. In addition, doctors can be relieved of operational headaches.

Top 10 reasons to partner with an IDSO

- 1. Financial security and asset diversification.** Typically, doctors' largest asset is their practice. Liquifying only

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- a part of the practice can secure most doctors' financial futures.
- 2. Reduced administrative headaches and burdens.** Doctors can focus on patient care and growth rather than management minutiae.
- 3. Enhanced patient care.** IDSOs can heighten patient-centered care through collaboration and education as a part of a larger group of practices.
- 4. Improved practice profitability.** Bigger is better in the purchasing of equipment, supplies, and team benefits. IDSOs can also have leverage to negotiate higher reimbursement rates from payors.
- 5. Recruiting of doctors and team members.** Many IDSOs have internal recruiting teams to assist their partner practices. More than ever, new doctors today are seeking security and stability. Growth requires recruiting, and IDSOs can offer future ownership to current and future associates.
- 6. Growth opportunities.** Most IDSOs encourage and provide capital for practice expansion through the addition of associates and acquisitions of competitors. IDSOs may also own or acquire interests in potential new patient referral sources.
- 7. Known exit in the future,** but locking in 2020 value levels. When doctors are ready to retire, their IDSO partners purchase their retained ownership on a date certain at a fixed formula tied to future earnings.
- 8. Security for doctors and team members.** COVID-19 has proven that life can change rapidly and in unimagined ways. Size matters in a more complex future.
- 9. Dramatic value increases.** Certain IDSOs, which offer equity participation, may provide upside opportunities far beyond single-practice ownership. In one well-known IDSO, doctors who accepted equity early achieved over 50x returns on their retained equity.
- 10. Taxes.** At some point, you will want to monetize the value of your practice. Federal tax rates on long-term capital gains are today 20%, and soon they could be doubled.

Peace of mind is key. All doctors are potentially at risk in a fragile economy. Certainly, endodontists have fared better than most, but there is always risk of change. Cash in the bank along with a resourceful partner is always a welcome security blanket!

Every doctor and every IDSO is different. Understanding the potential value of your practice to an IDSO partner is the first step in making an informed decision. Doctors can receive a confidential, no obligation, and no cost analysis of the value of their practice by contacting Large Practice Sales. [EP](#)

This information was provided by Large Practice Sales.



Chip Fichtner, is the founder of Large Practice Sales, which specializes in the transactions of Invisible Dental Service Organizations (IDSOs) for all practices. The company has completed more than \$100 million of transactions in the past 6 months. After careers at Merrill Lynch and Bear Stearns, he began buying and selling businesses of all types for his own portfolio. Mr. Fichtner has been the Chairman and/or CEO of multiple publicly traded companies and has presented at conferences on investing and marketing from Hong Kong to Monaco. Learn more at largepracticesales.com.