

Selling one dental office can change the future of the other

Dr. Bob sold a satellite office to simplify his working life. He had not planned for what the new owner's staffing needs could mean for the main practice he still owned.



THE TAKEAWAY

A multi-location transition needs a plan for the business that remains—including its people, patient care and day-to-day operations.

The main practice still had useful strengths

Dr. Bob's main office had five operatories, room to work, functional equipment and updated computers. An older facility did not erase those strengths. The immediate problem was more serious: his entire staff had given notice.

To understand why the practice had reached that point, it was necessary to look at an earlier transaction involving his satellite office.

A simple sale had wider consequences

Dr. Bob had a satellite office beside a practice his dental-school friend had established alongside it years earlier. After the friend retired, a new dentist bought that neighboring practice and later approached Dr. Bob about buying his satellite office.

Dr. Bob agreed to an \$80,000 handshake deal. The buyer then combined the two practices. As the combined operation grew, the new owner offered full-time positions to the staff from Dr. Bob's main office.

The employees accepted. What had appeared to be a straightforward way to downsize had changed the staffing outlook for the practice Dr. Bob still needed to operate.

Without the team, the remaining practice changed

The main office could not continue normally without its staff. Appointments were canceled, patients began leaving and the goodwill available to a future buyer diminished. The practice ultimately closed.

The satellite sale produced \$80,000, but the subsequent loss of staff and patients undermined the value of the main practice. The main office was not sold as part of that transaction; its operating value was lost afterward.

Employees make their own career decisions. The lesson is to understand their concerns and the dependencies between locations, rather than assuming a team will remain because a sale involves only another office.

Map the dependencies before agreeing to terms

When selling one location, look beyond its individual financial statements. Consider how the proposed transaction could change the operation you retain.

- Which employees, schedules, systems and responsibilities connect the locations?
- How will the retained practice maintain staffing and patient care?
- What questions are employees likely to have about their own future?
- What communication and transition responsibilities should be addressed in the agreement?
- If a key team member leaves, what is the realistic backup plan?
- Does selling the locations separately still support your overall retirement goal?

Plan for continuity, not just a signature

A short agreement or handshake may feel efficient, but it does not replace a plan for the months after closing. Consider the buyer's next steps and the effect on your remaining practice before choosing the structure.

Talk with us about the whole business. The best sequence may depend as much on staffing and patient continuity as it does on the price of one location.

Start a conversation: adsmidwest.com

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