

A New Practice Checklist: 10 Tasks for New Owners



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A NEW PRACTICE CHECKLIST: 10 TASKS FOR NEW OWNERS

By Risë and Martin Mattler

Congratulations! You've just purchased a practice and will be closing on the transaction any day. Now is the time to organize the things that need to be done prior to and immediately after the practice changes hands.

We've compiled the following checklist to help you get started in your new practice.

LETTER OF INTRODUCTION

This is the most important aspect of the practice transfer. The seller sends a letter to patients announcing his or her impending departure and enthusiastically recommending you as the new doctor. This letter is usually prepared a few weeks before the closing and mailed to all active patients the same day that the practice transaction closes. Some sellers prefer to send the letter several days before the closing so everyone has been notified before meeting the new owner. If you wait until after the closing occurs, make sure that the letter is mailed within a week of that date.

Depending on how the mailing is timed, there may be some patients coming to the office before they receive the introductory letter. It is up to the departing dentist to decide whether to call those patients beforehand to advise them of the transition or to personally meet with patients the day of their appointment before introducing them to the new doctor.

We also recommend placing a photograph of the new doctor and the patient introduction letter in a frame in the reception area of the office. This information can remain posted for up to six months after the closing.

NEW OWNER'S LETTER

About three to six months after the closing, you should send your own patient letter. This letter gives you the opportunity to introduce yourself again and to invite patients to drop in to get acquainted. The letter should also reiterate key personal and professional information and mention any practice enhancements being planned for the benefit of patients, like new procedures or expanded hours.

PHONE AND UTILITIES

Right after the closing meeting, the seller should contact the phone company to transfer the office phone number to you. The utilities company should also be notified of the change in ownership. The automated phone message should also be redone to include the former and new owners' names. This message can be phased out and replaced with only your name once the transition phase has been completed.

PRACTICE SIGNAGE

We recommend the creation of new signs, with your name on top followed by the former dentist's name. Our clients have contacted their local dental societies about this practice and there were no ethical issues associated with leaving the former doctor's name on the door for a year or less. This advice also applies to yellow pages advertising.

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A New Practice Checklist: 10 Tasks for New Owners (cont'd.)

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STAFF MEETING

The timing of this meeting is dependent on the seller's relationship with his staff. You can be introduced to the practice staff shortly before the closing or immediately after it.

In most transactions, the staff may suspect a change is in the offing shortly before the closing. Because of this, it may be best for you to be introduced to the staff just before ownership changes hands. The purpose of the staff meeting is to reassure all office personnel that everyone has a secure position and that you are a good doctor to work for. You shouldn't use this meeting to introduce lots of practice changes.

If you know in advance that a staff member is not being retained in the transition, it's advisable to have the departing dentist let that employee go before the office keys are transferred to you.

TRANSFER OF INSURANCE PLANS

Before you take over, you should apply to be accepted by the dental plans taken by the office. This process can take anywhere from two weeks to two months. If you are not accepted by an important insurance plan in time for the closing, you can ask the seller if he is willing to bill the insurance company under his name and turn the funds over to you during this transition period. This type of arrangement should not last more than a month or two.

In our experience, no buying client has been rejected by any of the established dental plans provided he or she has a dental license and no convictions for insurance fraud.

PRACTICE BANK ACCOUNTS

Before your first day of practice, you should establish a business bank account for checking and deposits. The bank should be convenient to your office, with a branch also located near your home.

PRACTICE CONTRACTUAL AGREEMENTS

The seller should apprise you of any open contracts that you're responsible for as the new owner. These can range from computer software contracts to yellow pages advertising and service agreements for the phone, nitrous oxide tanks, etc.

ANNOUNCEMENT ADVERTISING

An announcement "tombstone" ad should be prepared and placed in local newspapers, which advises existing and prospective patients of the practice transition. The ad should run consecutively for up to four weeks after the closing.

FIRST DAY PROCEDURES

The first day in your new practice is an important one and you want to feel comfortable meeting and treating your patients. You should be sure that the office staff has booked your first day the way you wish to be scheduled. In addition, make sure you're familiar with where supplies are kept and the functioning of the equipment you'll be using.

We also recommend that you discuss beforehand how you would like the outgoing dentist and his staff to introduce you to patients. You may want to prepare a short script for use, in order to assure that a consistent, upbeat message is conveyed.