

# When and How Should I Begin My Transition Planning? Redux

July 23, 2016

I have been fortunate to work with doctors at all stages of their professional life. I have worked with folks who are just interested in selling their practice; but they don't want to give 10% of their practice value to a broker.

Most of our clients DO want the transaction to be a win-win for both sides.

I have also worked with young doctors, who are buying their first practice and want independent and unbiased representation.

You have probably heard me say that the clients who get the most out of their transition planning are those that start early. That is because, they are able to transition two, or more times in their career and amass a great deal of wealth in the process.

This wealth comes from increases in operational value and actual practice value. The sooner this wealth growth occurs the better; since, like a retirement plan, it will grow geometrically. In fact, the properly designed transition plan can greatly enhance the retirement plan assets.

I have had many clients who get this message "loud and clear" and they always say that they wish they had started earlier. I have taken those sentiments to heart and that's why I am sending this message.

The reason that people fear dentists is because they think it will hurt. We know otherwise!

The reason that most transitions and partnerships fail, is *money*.

For this reason, the first phase of our planning is always the financial due diligence. We do a fair market valuation of the practice and a thorough practice financial analysis; so that both the buying and selling doctors will have absolute clarity on how their economics will be affected by the transition.

Once the parties have clarity on how the numbers will look; we can move forward with the design of a deal that is truly a win-win.

Most of our clients are doing this Phase One work, while they are looking for an associate; so that they have their “ducks in a row” when they attract candidates. It also allows us to customize the purchase feasibility analysis for the candidate; based upon their level of experience and productivity.

This type of pro-active preparation puts our clients into an advanced level of readiness for attracting the best associate candidates and in a much better position to *capture* the best candidates.