

EXIT STRATEGY

Preparing your practice for sale



Selling a veterinary practice is often the largest financial transaction made during a doctor's lifetime and involves much more than just setting a price.

Helping owners develop and execute a well-thought exit strategy in advance of the anticipated time of sale is an integral aspect of the professional practice brokers of Simmons. Our goal is to help you transfer a practice of maximum value at a price that is fair and equitable to both the buyer and seller.

3 YEARS

Before putting your practice on the market

Make time to write down your goals; develop a timeline; consider life after practice.

Have a baseline practice valuation performed by a competent veterinary practice appraiser. Experience and credentials are critical.

Identify areas where improvements can be made in profit and in salability.

Manage for revenue and earnings growth.

Consider hiring a practice consultant.

Take note of any potential practice buyers.

Take an active role in the practice; begin delegating management responsibilities to key staff.

Set up emergency rotation or referral clinic (most buyers do not want to take after-hours calls).

Make sure there are no environmental concerns having an environmental assessment done (buried gas tanks, X-ray chemicals, etc.).

Resolve any real estate zoning compliance issues which might impact transfer.

"Clean up" your financials. Report all income and don't include personal expenses on the practice books.

Secure assignable, non-compete agreements with associates, if legally enforceable.

Clean facility thoroughly, repair cosmetic damages, paint, landscape, etc.

1 YEAR

Before putting your practice on the market

Replace, repair, or remove outdated and broken equipment.

Ensure any facility lease has a life of at least 5 years, is renewable, and transferable.

Check equipment leases for pre-payment penalties (usually, they are paid-off at closing). Consider buying, rather than leasing any equipment needed now.

Examine your own financial needs following the sale. Work with a financial planner to ensure you can afford to sell at this time.

Order a commercial real estate appraisal, survey, and review zoning compliance.

Prepare practice records for buyer's review — financials, contracts, employee records, etc.

Compile inventory and equipment lists.

Have a building inspection done so deficiencies can be corrected prior to the time of selling.

Have a competent broker or marketing expert review your practice and current market conditions.

Update your website, any social media sites, and review comments on sites like Yelp.

Review fees for any needed increases.