

The Original
Dental CPAs
a division of Naden/Lean LLC

Purchasing a dental practice offers many opportunities for success, but unfortunately the business side sometimes takes a back seat to the emotional side. For over fifty years we've helped dental practitioners assess and purchase practices in an efficient business manner.

We've developed a list of items that should be reviewed closely with those trusted advisors who can best understand the relative issues (i.e. CPAs, lawyers, investment advisors, insurance providers, bankers and others).

Although many of the points noted on these checklists should be expanded, they offer a starting point to understand if an opportunity is the correct one. The first list will enable the dental professional to gather a global understanding of the practice in order to assess if the conversation should go to a deeper level. That secondary step is the second checklist. For further information, please visit www.dentalcpas.com

Practice Ownership

1. Management

- Personnel
- Supplies & Equipment
- Financial
- Marketing
- Decision Maker

2. Financial

- Borrowing Money
- Capital Improvements
- Provider Compensation
- Employee raises\bonuses

3. Insurance

- Malpractice (same carrier) & Limits
- Office contents & Overhead Insurance
- Disability Insurance
- Life Insurance
- Health Insurance
- Long Term Care

4. Retirement

- Planning for Retirement
- Qualified Plans
- Participation of Others

5. Associates & Specialists

- Why, When
- Compensation, Bonuses
- What to pay for (Perks, etc)
- Continuing Education and Practice Development
- Legal Agreements
- Buy-in Timeframe
- Practice Value

6. Non-Compete Issues

- Employees & Owners
- Number of Years & Miles
- Penalties - Legal Recourse

7. Practice Transitions

- Immediate Sale, Deferred sale
- Engagement Period
- Funding Vehicles
- Value, Stock vs. Management Compensation or Comp Differential

Multi-Owner Issues

8. New Partners\Shareholders

- Criteria
- Valuation
- Management Duties (see #1 & 2 above)

9. Legal Agreements

- See #5, 6, 7 above
- Purchase Agreement
- Shareholders Agreement
- Employment Agreements
- Compensation Methods

10. Disability of Partner

- Definition
- Compensation - How Long
- Triggering Event - Timing

11. Termination of a Partner\Shareholder

- Triggering Events - Retire, Cause, Death, Disability

- Value & Terms
- Penalties for Cause, Early Retirement
- Normal Retirement Age