

The waiting game

Leah Turner considers why it can take so long for independent buyers to find a suitable practice.

As an independent buyer, it can be hard to find the 'right' practice that ticks all the boxes.

This invariably means that it takes longer to find somewhere – often years – while for corporates it may only take months. Though frustrating, there are a number of reasons for this that are important to bear in mind.

First off, although each individual company will have its own strict criteria, the largest consideration will be financial. As such, corporates are invariably a lot less picky about the practices that they'll look at and tend to have a wider selection to choose from.

They're also less inclined to worry about business growth, particularly with NHS practices. Instead, they will tend to focus on what's there at the time of purchase, ensuring that the business is financially sound and profitable as it is.

Some companies are a lot more particular about which practices they are willing to add to their growing empire – particularly when it comes to image and branding. As such, you do see corporates turn down opportunities from time to time because a practice doesn't fit in with their brand identity. Generally, though, the main driver is the figures – especially for the larger, NHS-based corporates. As long as the practice is profitable and sustainable, other factors are negotiable.

For you as an individual purchaser it is a different story, as it is most likely the case that you will be relying



on financial support from lenders to acquire a practice. This immediately limits your options, because what you want may be outside of your price range. Likewise, the practice that you choose has to be able to provide adequate returns to cover the loan repayments and pay yourself a decent wage, otherwise you won't secure the loan from the bank – nor will you be able to turn a profit. So if, for example, you came across an NHS practice that fit the bill but had a history of underperformance, you would likely have to leave it as you simply wouldn't have the resources available. However, for a corporate that has a lot more manpower, this might not be an issue. It is because of these reasons that corporates are often in a much better position to buy.

What you've also got to remember is that your criterion is probably a lot more restrictive than a corporates would be, as your acquisition is a personal investment that will have a direct impact on your day-to-day personal and professional life. It's got to be in the right area, have the right potential, and suit your personal and

clinical needs. As such, it's always going to be much harder to find a practice that ticks all the boxes.

It is usually harder for first time buyers who have less experience in being able to identify what is and what isn't a suitable practice and analysing financial eligibility. Indeed, by the time everything has been taken into consideration, an extensive search has been carried out and potential practices have been narrowed down, the process could have taken years.

Still, there are steps to be taken to put yourself in a better position and speed the search process along. Firstly, recruit the help of a reliable sales and acquisitions agency with a knowledge of the market and access to practices throughout the UK, such as Dental Elite. It can also help to have guidance from a specialist broker. That way, when the right practice comes along, you will be able to move quickly and decisively.

So if you're stressed about how long it's taking to find a practice, don't despair. With the right help and patience, you'll find 'the one' in due course.



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