The First Choice Practice Sales Guide to Selling Your Practice

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Timing is everything . . . when is it the right time to sell?

Many factors can lead to the sale of a practice; retirement, a new venture or business opportunity, or simply wanting a change. These are reasons that allow for proper planning for a timely sale done at the most opportune time. Compelling personal problems (a divorce, death in the family, poor health, etc.), partnership disputes, and shortage of capital or outright failure of the practice are some of the common events that can lead to an untimely forced sale. Dentist burn out can emerge in a successful practice as well as one that is failing. Dentist burn out may not affect the value of a practice in the short term, but long term it nearly always has a dramatic negative impact on both the success of the practice and its value. The right time to sell is when the practice is doing well, before you are burned out, while you still have your health, zeal, and enthusiasm for the practice.

Dentists that find themselves in a distress sale situation may have to take what they can get for the practice due to time or financial pressures. They are often forced to sell at a bad time for the practice and ultimately themselves. Instead of waiting for unfavorable conditions to force a sale, dentists should watch for the best time to put their practice on the market to maximize the return on their investment.

Before you decide to sell your practice, focus on your true goals and objectives. Why do you want to sell? What will you do after you sell? What will you do with the money from selling your practice? You should give these questions serious consideration before you decide to sell. You should seek the advice of your tax advisor regarding possible tax implications from the sale; likewise, you should speak with a First Choice Practice Sales Broker regarding the current market price of your practice as well as various deal structures available to you. Your First Choice Practice Sales Agent or Broker can discuss the market value of your practice and various deal structures that may be advantageous to you.

Don't put your practice on the market to "test the waters" or with an ambivalent attitude about selling it. Selling a practice is a major undertaking requiring a great deal of work on everyone's part, including yours, and unmotivated sellers are rarely successful in selling their practices.

First Steps toward Selling Your Practice

Doctors who decide to take advantage of a favorable market should act quickly to launch the selling process. There are vital steps to take – and crucial realizations to face – in preparing for this all-important transaction.

1. Once you have made the decision to sell, you should gather the information needed to market and subsequently sell your practice. Here's a list of the key items needed:
    - Three year's profit and loss statements plus a current year to date profit and loss statement (last years P&L needed for first meeting)
    - 3 yeas of Federal income tax returns for the practice (helpful, but can follow later)
    - List of fixtures and equipment (needed when listing business)
    - The lease and any lease-related documents (needed when listing practice)
    - List of loans against the practice with amounts and payment schedule (needed when listing practice)
    - Copies of any equipment leases (needed when listing practice)

- An approximate amount of the inventory on hand (needed when listing practice)
- List of all current contract, HMO PPO, Medicare, IPA, Union, etc.
- Bank statements verifying deposits for last 2 years & current year.
- Names of outside advisors (needed when listing practice)

2. Financial records must be accurate, up-to-date and reflect the practice's actual financial performance. Some buyers may be willing to buy potential, but they won't pay for much for it, thus your bottom line performance is the critical factor that establishes the market price of your practice. Sellers should be open about all aspects of the practice that might affect the sale; otherwise, once the real facts are discovered, the deal may fall apart and the sale plus a qualified buyer may be lost.
3. Sellers should also seek the advice of a practice professional in determining value. A First Choice Practice Sales Broker will apply industry-tested valuation methods, and will incorporate those intangibles to ensure that the practice will not be under priced. At the same time, your First Choice Practice Sales Broker will point out to sellers how the price is dictated by the marketplace and that realistic pricing is an absolute must. Buyers carefully compare the prices and financial performance of various practices's on the market and generally will not even consider overpriced practices.
4. Remember that you are part of the marketing team. Your practice broker can't do it all and might even ask you to come to an office meeting to tell the rest of the staff about your practice. Follow your First Choice Practice Sales Broker's advice about dealing with prospective buyers—there's a right and a wrong time to meet them.
5. Sellers benefit many times over from the guidance of a practice broker professional. The practice broker who lists a practice for sale represents the seller and works toward completing the transaction in a reasonable amount of time at a price and terms acceptable to the seller. The broker will also present and assess offers, and, at the appropriate juncture, he or she can also help in structuring the sale transaction itself. The broker and the seller become a team, involved in a relationship of mutual trust, with the common goal being the successful sale of the practice.

Seize the Moment: Is This the "Right Time" for You?

If you have made the decision to sell your practice, the wisest first move is contact your qualified First Choice Practice Sales Broker professional, who can . . .

- Advise you on pricing and structuring the sale of your practice.
- Prepare the marketing strategy, using professional resources.
- Screen and qualify buyers for your business.
- Educate buyers in the practice-buying process.
- Keep you informed about market reaction and buyer interest.
- Present offers and point out strengths and weaknesses of each offer.
- Facilitate negotiations and structure the deal.
- Keep you informed, with regular communicational buyer's

When it comes time to sell, one of the best decisions a dentist can make is to continue managing his or her practice efficiently (and profitably), while depending on the services of your First Choice Practice Sales Broker to forge the steps of the sale. The practice broker professional is an invaluable advisor during the entire process, offering both objectively and negotiation skills honed through years of experience in the buying and selling of practices.

What Every Seller Should Know

Selling your practice is a major decision. You have devoted your time, money, and energy to building, running and operating you practice. It may well represent your life's work. If you have decided that now is the right time to sell, you will want the very best professional guidance you can get. This is when working in tandem with a professional practice broker can make the difference between just getting rid of the practice and selling it for the very best price and terms. Following are some of the most common questions asked by sellers –and if you are contemplating selling your practice, theses are questions you should be asking, too.

What Can a First Choice Practice Sales Broker Do for Me?

Practice brokers are the professionals who will facilitate the successful sale of your practice. It is important that you understand just what a professional First Choice Practice Sales Broker can do –as well as what they can't. Practice brokers can help you decide how to price your practice and how to structure the sale so it makes sense for you and the buyer. They can find the right buyer for your practice, work with the seller and the buyer in negotiating, and coordinate every step of the way until the transaction is successfully closed. They will also help the buyer with all details of the business buying process.

A First Choice Practice Sales Broker is not, however, a magician who can sell an overpriced practice. Buyers are smart and will simply pass on overpriced practice. All practices are salable if priced and structured properly. You should understand that only the marketplace can determine what a practice will sell for. The amount of the down payment you are willing to accept along with the terms of the seller financing can greatly influence not only the ultimate selling price, but the success of the sale itself.

How Long Will It Take To Sell My Practice?

It generally takes, on average, between Two to six months to sell a practice. Keep in mind, however, that an average is just that. The time your practice is on the market will depend upon the type of practice, its financial performance, price, terms, and local market conditions. Some sellers, operating under the premise that they can always come down in price, overprice their practice, without realizing buyers generally refuse to look at overpriced practices.

For Practice Buyers and Sellers: A Guide

Your best guide for buying or selling a practice isn't words on paper; it's the competent presence of your First Choice Practice Sales Broker. Although First Choice Practice Sales Brokers generally represent the seller, the buyer also reaps the benefits of expert guidance. A practice broker provides vital services for both parties and acts as the "glue" for holding together the pieces of the practice sale process. Here's how a First Choice Practice Sales Broker will work with both the buyer and the seller:

The First Choice Practice Sales Broker and the Seller

When it comes time to sell, one of the best decisions a dentist can make is to continue managing his or her practice efficiently (and profitably), while depending on the services of a First Choice Practice Sales Broker to orchestrate the steps of the sale. To make the seller's job easier and more effective, the practice broker will . . .

. . . Prepare a marketing strategy and offer advice about essential marketing tools, such as a practice description memorandum; in fact, the broker will help the seller in all key aspects of presenting the practice as effectively as possible. Later, the broker can also help in the structuring of the sale transaction.

. . . Advise the seller on pricing. The practice broker is an expert in placing a realistic price on the practice and incorporating intangibles; thus reducing the danger that every seller fears, under-pricing the practice. At the same time, the practice broker can help the seller to understand that the selling price is dictated by the marketplace and the practice's actual financial performance.

. . . Determine the right buyer for a particular practice. For locating and qualifying prospective buyers, a practice broker uses computerized databases to access comprehensive lists of local, national, and international buyers –all to increase the chances of selling a practice at peak value.

. . . Present offers and point out both strengths and weaknesses. The practice broker will be a vital advisor during most stages of the negotiation, bringing to "the table" objectivity as well as negotiation skills developed through years of experience in the buying and selling practices.

The First Choice Practice Sales Broker and the Buyer

During a preliminary meeting the broker will typically ask the prospective buyer questions such as these:

1. Are you pre-qualified by a lender to obtain the necessary funds to buy a practice?
2. What is your time-frame for buying a practice?
3. What are your expectations about the purchase of a practice?

After this fact-finding meeting, the broker can then show the buyer practices that are feasible fitting the buyer's requirements and budget. Further steps the broker will lead the buyer through are as follows:

- Since sellers are (rightly) concerned about confidentiality, the broker will ask the prospective buyer to sign a non-disclosure or confidentiality agreement.

- The broker will provide the prospective buyer with preliminary information, practice profiles about one or more practices, including pertinent financial data.

- The broker will arrange for the buyer to see practices of interest.

- Once the buyer has indicated strong interest in a particular practice, the broker can then supply additional information and schedule further on-site appointments.

- When the buyer is ready, the practice broker will be the best source for answering questions, addressing concerns, resolving loose ends and offering a practice broker's unique expertise in the practice sale transaction.

How First Choice Practice Sales Markets Your Practice

1. Advice

Your First Choice Practice Sales Broker or Agent will advise you on preparing your practice for sale. We share our knowledge of the market place and competitive practice offerings with you. Your Broker or Agent will analyze your practice /financial history, lease, and market comparables and then apply valuation techniques to ensure the practice price and terms are appropriate for the current local market.

2. Networking & First Choice Practice Sales Synergy

Your First Choice Practice Sales Agent will prepare descriptive information about your practice and personally introduce it to the other brokers in the First Choice Practice Sales system.

3. Advertising Exposure

We advertise your practice and others like yours, to get the highest response and greatest number of prospects. We use a variety of advertising media including our popular website www.firstchoicedds.com, other dental related websites, the Dental Shopper, society and association advertising, e-mail and fax campaigns and other print media. Any one of our ads could be the one that reaches the buyer for your practice. The advertising media selected for your practice will depend upon the type and size of your practice.

4. Preparing Documentation & Practice Profile

We collect all the information necessary to sell your practice and prepare a Practice Profile (outline) of your practice, highlighting its strengths and benefits. In most cases, buyers do not see any of your confidential records until you have accepted their offer with an earnest money deposit.

5. Risk Free – No Upfront Fees

We research your practice, help you get the practice ready for sale, advise you on pricing and structuring, prepare a marketing package, advertise your practice, interview buyers, negotiate on your behalf and do everything necessary for a smooth sale. We do all this with no fee, unless a buyer is found and a deal is closed.

Selling Your Practice with First Choice Practice Sales

1. Confidentiality

One thing that you can be assured of is the sale of your practice will be handled confidentially. We have safeguards and procedures in place to protect your confidentiality and treat our practice listings with the utmost discretion. All of our listings are strictly confidential. We take precautions to prevent your employees, customers, competitors, or suppliers from learning about your plans to sell.

2. Qualifying Buyers

We sort out unqualified buyers and then go a step further with the serious and motivated buyers. First Choice Practice Sales has developed a buyer profiling system that determines the needs, interests, and ambitions of our buyers. After discussing their needs and interests we explore practices and opportunities. Sellers can be sure that their practice will be presented to potential buyers that are the right fit, serious, and motivated.

3. Follow-Up with Prospective Buyers

Making the decision to buy is often as hard as deciding to sell. We can follow up with prospects without damaging your negotiating position or having you appear too eager to sell.

4. Offers and Deal Structure

We know how to structure transactions to minimize the chance of a problem. We use our experience to develop terms that are acceptable and work for everyone. We prepare the offer using the appropriate documents and clauses. The offer, accompanied by an earnest money deposit and information about the buyer, will be explained to you. We will counsel you on your options of accepting, countering, or rejecting the offer and on what has to be completed before closing can take place. We will coordinate with all parties to keep the process moving to a closing in a timely manner.

5. Negotiation

We guide you through contract negotiations and work with other professionals to help put tax, legal and practice issues in perspective. As a third party intermediary, we can be persistent with the buyer, encouraging him or her to make a decision, without implying in any way that you are anxious to sell. All of our brokers are experienced negotiators. Even if you are a good negotiator, it helps to have an intermediary between you and the buyer to facilitate negotiations.

6. Buyer's Assistance

We have found that the best way to assure a successful sale is to assist the buyer through every step of the buying process. We unravel the " mystery" of buying a practice and make the buyer comfortable with the whole process. We prepare them to act quickly when we present the right opportunity. We explain the seller's needs to the buyer prior to the negotiation stage. After a purchase agreement has been accepted, we facilitate the purchaser in reviewing the books and records of the practice and assist with the lease, licenses, and necessary approvals.

Seller Questions and Answers

Below are some commonly asked questions by sellers, for additional frequently asked questions visit our website, www.firstchoicedds.com and click on FAQ's.

1. When is the best time to sell?

The best time to sell is when a practice is doing well, if you wait until after a practice has peaked or suffered a down turn; the selling price can suffer. However, almost any practice can be sold, even if it is not doing too well, if the sale is handled correctly.

2. How much is my practice worth?

A practice's value depends on many factors – such as cash flow, asset values, financial history, condition of equipment and premises, lease attractiveness, competition, potential for improvement, location, industry type and the economy, among many others. First Choice Practice Sales has unparalleled knowledge of real market values from selling many practices each year. By analyzing your practice and comparable sales in your area, your First Choice Practice Sales Broker can advise you on proper pricing strategy for your practice.

3. Can a real estate agent sell my practice?

While both Practice Brokers and Real Estate Agents hold Real Estate Licenses, the two businesses are very different. Few Practice Brokers sell real estate other than when it is a part of the sale of a practice and generally Real Estate Agents do not have expertise in the sale of practices. The techniques of pricing, selling, and putting together the practice transactions are altogether different from selling houses or commercial property. Your First Choice Practice Sales Practice Broker specialized in selling practices. Your First Choice Practice Sales Practice Broker has an extensive data base of willing and able buyers and networks with other websites and professional Practice Broker organizations. Real Estate agents do not. Your First Choice Practice Sales Broker can confidentially list your practice and promote it throughout the First Choice Practice Sales Network.

4. What about the marketing fee?

There are no up front fees or costs. Commission is paid only if your practice sells. Even the advertising is paid by First Choice Practice Sales. Most sellers have found that the cost of using our services is more than offset by the value they have gained from our expertise and access to buyers.

5. Why not sell the practice myself?

Most owners find that the frustration, expense, and time involved in selling their own practice do not yield cost savings, and more importantly, they often do not get satisfactory results. In fact, because they don't have access to a large number of qualified buyers, many owners end up selling their practice for much less than they could have through a professional practice broker. Sellers find it difficult to work directly with snooping buyers and maintain confidentiality. If a key employee or competitor learns the practice is for sale, the value of the practice could be damaged. Selling a practice is a specialized function. Just as you wouldn't attempt to do your own legal or tax work, you should seek professional assistance when it comes to selling an asset as important as your practice.

6. Why should I use First Choice Practice Sales Practice Brokers to sell my practice?

We have developed a proven system for selling practices. You may be able to find other practice brokers, but no one can offer you the full service advantages of First Choice Practice Sales.

- Maximum exposure
- Confidentiality
- Qualified buyers
- Access many financial institutions
- Follow up
- Negotiating power
- Advertising
- Experience
- Market evaluations
- No up-front fees*

*unless required due to special request of the owner.

10 Steps to a Successful Sale

1. Prepare for the Transition to a New Owner & New Management

When you make the decision to sell, start to prepare your practice for the new owner. Start putting things in order so the practice runs smoothly and "on its own" without total dependence on your management. Maintain the current patient schedule and production levels even through an open escrow. The practice should not, especially now, depend solely on you. This will make your practice more attractive to prospective buyers and make the transition to the new owner easier for both of you.

2. Establish a realistic price for your practice

The marketplace will ultimately determine the selling price; you need to know the market value or worth of your practice. As practice are all unique and have varying characteristics such as location, size and type of equipment. Practices are valued within a wide range 50% to 85% (sometimes more) of annual collections. Look to your experienced First Choice Practice Broker to make an appropriate appraisal getting the best value out of your office.

3. Accept the Financing Facts

You may need to finance part of the sale of your practice, since banks are traditionally very selective about loans for the purchase of most practices. Even SBA lenders prefer to see some seller financing as a part of the deal. Seller financing helps close the deal and seller financed practices generally sell for higher prices.

4. Update & Clean Up Your Financials

Make sure the financials for your practice are accurate, detailed, and up-to-date. Questionable financials or unclear financial information can be a deal killer. Present yourself well "on paper," look at your financials from the perspective of your buyer, rethink all those "perks" and hidden assets and make sure the financials are easy to understand and clean. Also remember that buyers won't pay for what you can't reliably prove. A good buyer won't be looking at just your practice; they will look at a number of practices and buy the best one in their price range.

5. Look at Your Practice from a Buyers Perspective

You have worked hard to build your practice and naturally you are proud of your accomplishment; but you must be realistic about the practice' deficiencies and correct or improve what you can. Put yourself in a prospective buyer's position the next time you go to your place of practice; pretend you are a buyer looking at it for the first time. How impressed are you? With this in mind make the necessary improvements.

6. Time for "Spring Cleaning"

Remove unused and obsolete equipment and inventory. Buyers will not want to pay for it and they may worry that it is getting added to the selling price if they see it lying around. This is a good time to see what else needs to be cleaned up or just removed to make the best possible impression. Good buyers won't be looking at just your practice, they will be looking at several.

Just because you are selling, now is not the time to let the practice slip. It's important that prospective buyers see your practice at its best: bustling, and showing no signs of neglect. Here are a few areas to focus on:

- Keep normal operating hours and stay involved in the practice. There is a tendency for sellers to relax and slow down when they put their practice up for sale. Maintain the same conditions even through escrow.
- Repair signs, replace outside lights, and do a general spring cleaning for first impression purposes. Tidy the outside premises (if appropriate). Spruce up the interior as well.
- Repair items that are included in the sale.
- Maintain inventory at normal operating levels during the sale and escrow period.

7. Confidentiality . . . keep your selling plans to yourself

First Choice Practice Sales understands the importance of confidentiality and it is important for you to understand this as well, confidentiality works both ways. A practice broker helps by using nonspecific descriptions of the practice in advertisements and profiles, requiring signed confidentiality agreements with all buyer prospects, and screening of buyer prospects. The broker will constantly stress confidentiality to the buyer prospects they show your practice to. However, as the seller, you must also maintain confidentiality about the pending sale in your day-to-day practice activities with customers, employees, vendors, and even your friends until the purchase agreement has been completed and accepted. Employees, suppliers, and even customers might react negatively to your "news," and you need their stability and loyalty more than ever at this crucial time. It is best to keep your plans strictly confidential, especially with regard to your employees, suppliers, and customers.

8. Get & Use Professional Advice

Many practice owners think that no one knows their practice like they do. They think they can do it all, tax, legal, Practice Broker etc. You are not a practice broker, accountant, and legal advisor all rolled up into one person. Use professional help and advice when necessary, but more importantly, listen to the experts.

9. The Structure of the Deal is Important

The selling price may not be the only thing to consider. You may find that the real problem is in the details. Your First Choice Practice Sales Agent and other advisors can consult with you on this.

10. Be Prepared to Negotiate Sensibly

Don't reject an offer without giving it serious consideration and discussing it with your First Choice Practice Sales Agent. Study it closely, just because you didn't get your full asking price doesn't mean it is a bad offer or it can't be negotiated into a good one. The offer may have points that will offset the purchase price, such as higher payments or interest, a consulting agreement, more cash than you anticipated or a buyer that you are comfortable with. The right buyer may be more important than a higher price, especially if there is a seller financial involved, which is often the case. If you must counter-offer, do so only on those points that are really critical to you. Be flexible and willing to negotiate on the important points.

What Buyers Look for & Want

It's natural for you to be most concerned with your own needs, but it's also important to understand the wants and concerns of buyers. Understanding the buyer's perspective and needs allows you to prepare for their questions and puts you in a better position for a successful sale.

1. Provable Boos and Records

Buyers want proof of the sales and profits that the practice has made in the past.

2. Reasonable Price and Terms

Usually, buyers won't even look at a practice that is not priced competitively.

3. Financial Leverage

First Choice Practice Sales works with all of the top industry lending sources. Most will fund 100% of practice acquisition capital. Smart buyers will want to use financial leverage to maximize their return on investment and income – i.e. use leverage to buy a bigger practice and a better bottom line with the same amount of cash down.

4. SDC – Seller's Discretionary Cash

Discretionary income is perhaps one of the most critical factors in a buyer's decision. How much money will a buyer make from owning this practice? Your First Choice Practice Sales Agent will work with you to re-cast your financials to reflect the actual SDC from the practice. Lenders often refer to these items as "add backs". They are discretionary expenses that maybe non-reoccurring for the new owner and can be added to the net seller's income.

5. Furniture, Fixtures & Equipment

Buyers will want a complete list of your equipment and will inspect it to insure that everything is in good working order.

6. Lease

Any buyer will want a good lease (whether your existing lease is assigned or a new lease is written).

7. Training

Most buyers have not owned your type of practice before and will need a transition in order to run the practice effectively, profitably, and ultimately successful.

8. Appearance

Nice looking practices sell first! Buyers deduct large amounts from their offering price for practices that are in less than top shape. Keep your practice neat, clean and in good repair to sell it faster and for a better price.

9. Covenant not to Compete

Buyers are afraid you may go into competition with them and take all their patients. A written promise not to compete with an appropriate distance and time is normal for many practices. This may also provide tax advantages for both buyer and seller.

10. A Good Reason for Sale

Buyers are always concerned about this. They are afraid you may be selling because of some undisclosed fact which may hurt the practice in the future. Buyers must see a logical reason for sale – without it they will assume the worst!

11. Time is of the Essence

Buyers are often looking at more than one practice when they make an offer. A buyer's offer can be withdrawn any time until it is accepted and delivered back to the buyer. If you don't respond in a reasonable time, the buyer may lose interest in your practice and move on to another.

12. No Surprises

Surprises will scare away any buyer. If we know all the facts up front, almost any problem can be solved or overcome in negotiations. Please be sure that you have told us about any problems, including the following:

- Are you behind in tax payments?
- Are there any problems with the landlord or lease?

- Are there any loans or liens against the business?
- Are there equipment leases?
- Are you in compliance with zoning, health and other regulations?
- Is there any litigation pending?

Do's and Don'ts of Selling Your Practice

Do keep good records and have them ready. A good set of books can significantly increase the chances of a successful and profitable sale and will speed the buyer's due diligence process.

Do allow sufficient time to sell your practice. Selling a practice is much more difficult and complex than selling a house. The time your practice is on the market will depend upon the current market, the type, and size of your practice. While some practices sell quickly, you should expect up to six months and allow up to a year to complete a sale.

Do offer terms. Smart buyers (the kind you want) know that some practices sell with terms and some type of seller financing.

Do consult with a knowledgeable First Choice Practice Broker about the value of your practice.

But don't pay large amounts of money for an appraisal of your practice. Professional Practice Brokers are the only people who know what practices are actually selling for. If you want a 3rd party market valuation report prior to selling the practice, your First Choice Practice Broker can discuss these services with you.

Don't wait too long to sell. The best time to sell is when your practice is doing well. Don't wait until a downturn or personal reasons force you to sell at the wrong time. Sell your practice when it is performing well and sell from strength.

Don't underestimate the value of your practice. Owners usually minimize profits to lower taxes, and the "bottom line" might not show the real value of your practice. Your professional First Choice Practice Sales Broker can help you determine the real value of your practice.

Don't sell to the wrong buyer. Your competitor, supplier, or favorite employee may not be the best or right buyer; or willing to pay the right price.

Don't overprice your practice. Under-pricing will cost you money; overpricing will cost you precious time and maybe even the sale of the practice. The "I can always come down in price" attitude sounds good, but it eliminates the best buyers, your practice stays on the market too long and you lose valuable time. Start at a reasonable price. Smart buyers know what a practice should sell for and will pass up overpriced opportunities to focus on more reasonable ones.

The First Choice Practice Sales 20 Point Sales Process

1. Commitment

It starts with your commitment to First Choice Practice Sales Practice Brokers to sell your practice at a price and with terms consistent with what the marketplace will bear. The process starts with an Exclusive Right to Sell Listing Agreement.

2. Documentation

You provide your First Choice Practice Sales Agent with all the necessary documents and data required to sell your practice. Details are not released to prospective buyers without your permission or a firm offer and a Confidentiality Agreement. Your First Choice Practice Sales Agent will prepare a Practice Profile for your practice based on the data and financial information you provide.

3. Valuation and Pricing

We analyze your practice and suggest the best price and terms.

4. Advertising

We advertise your practice the highest possible response and the greatest number of prospects. In addition to our own websites, we also advertise in local newspapers, The Dental Shopper & local associations, and the major practice websites. Advertising for your practice will be based on the type of business, size, and market conditions.

5. Qualifying

First Choice Practice Sales Agents and Brokers qualify prospective buyers upfront prior to showing your practice.

6. Showings

Our sales associates introduce your business to potential purchasers. They discuss the various components and benefits of the practice with the prospective buyer.

7. Meeting.

A meeting with you, the interested purchaser and your First Choice Practice Sales Agent is set up to discuss the details of your practice and give you a chance to learn more about the buyer.

8. Offer to Purchase

We represent your interests to get the best possible offer.

9. Present Offer

You arrive at our office where we present the offer to purchase. At that time, we give you background information on the purchaser, and the purchaser's thinking behind the offer.

10. Explanation

We explain the terms and conditions of the offer to you and your decision makers. For example, most offers are contingent upon the buyer's inspection of your financial records. There may be other contingencies relating to lease assumption, licensing, or inventory. The offer is not binding until your purchaser removes all of these contingencies.

11. Accept the Offer

You may accept the offer as it is written, write a counteroffer, or reject it. We facilitate negotiations with the buyer to get the best possible offer and agreement.

12. Mutual Acceptance

When both parties agree to all terms and conditions of the sale, sign all counteroffers and amendments, it then becomes a contingent Purchase Agreement.

13. Assist with Financing

When the buyer needs assistance with leasing companies and banks, we guide the buyer to appropriate lenders.

14. Inspection

Your purchaser meets with us and you to examine your financial records. This can be the most crucial part of the whole process.

15. Lease Assignment

We work with landlord to get a lease assignment or new lease satisfaction to the buyer.

16. Contingency Removal

Your buyer removes all contingencies and the agreement becomes a Binding Offer for Purchase and Sale Agreement.

17. Note Assumption

Escrow checks for liens against the practice and gets approvals from secured lien holders before the sale takes place.

18. Escrow

We work closely with the escrow officer to ensure the escrow stays on track and the closing goes as smoothly as possible. Our escrow officer of choice specializes in practice escrows and has many years of experience.

19. Inventory

We meet with you and your purchaser to take inventory (if it applies to your practice). If it is a large or complex inventory it may be necessary to use an inventory service.

20. Closing

Prior to closing the Escrow Officer will execute the escrow instruction based on the purchase agreement and joint escrow instructions including in the offer. At the time of closing the Escrow Officer will issue the necessary closing statements which may include funds disbursement authorization, security agreements, installment notes, amendments, prorate any rent or other items that may be applicable and issue any other documents necessary to close the transaction. Most items can be mailed or faxed to buyer and seller for signature.

The Buyer Meeting

A successful buyer-seller meeting is very important to a practice sale. It gives the buyer a chance to get comfortable with you and the practice and it gives you a chance to check out the buyer. To have the best meeting: Always meet a prospective buyer with a First Choice Practice Sales Agent present. Discuss the good points of your practice and its potential. Explain the operation of your practice and concentrate on its unique features. Allow the buyer to ask questions and answer their questions directly and honestly. Evasive, unclear, or unanswered questions may cause buyers to be suspicious. Explain your reason for sale in a positive manner. Brokerage fees, price and terms <u>should not be discussed</u> as this could damage future negotiations. Follow the lead and advice of your First Choice Practice Sales Agent.

NOTES

For More Information

Fax back this form or call us and we will send you your requested information:

FAX TO: 949-458-0525

Please Send Me:

- ☐ First Choice Practice Sales Buyer's Guide Brochure hard copy via mail.
- ☐ First Choice Practice Sales Buyer's Guide Brochure PDF file – email.

I'd like to know:

- ☐ What's a business like mine worth?
- ☐ How First Choice Practice Sales can help me sell my practice?
- ☐ More about local practice opportunities?

Contact me about:

- ☐ Selling my practice and getting results with First Choice Practice Sales.
- ☐ Buying a practice.
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