

## *Preparing You and 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. Establishing a plan, preparing the facility for sale, and providing for the continuity of practice operations are a few of the essentials necessary to help maximize the transaction. Considerations toward one's life after practice, coupled with an understanding of the emotions associated with selling a practice, also help to facilitate your transition.

### **5 years before your target exit:**

- Make the quality time needed to write down your goals; to develop an ideal timeline and to consider life after practice.
- Have your practice valued by a competent veterinary practice appraiser. This establishes a baseline value and may help identify opportunities for improving your practice and its value.*
- Manage your practice for revenue and earnings growth
- Make sure there are no creeping issues or environmental concerns (buried gas tanks, X-ray chemicals, etc.).
- Secure assignable, non-compete agreements with associates.

### **2-3 years before your target exit:**

- Take an active role in the practice but begin delegating management responsibilities to key staff.
- Consider hiring a practice consultant if it may help achieve your goals in practice.
- Concentrate on enjoying practice *and avoid burnout.*
- If possible, set-up emergency rotation or referral clinic (most buyers do not want to take after-hour calls).
- Ensure any facility lease has extra time left and if possible it should be renewable and transferable.
- Check equipment leases for pre-payment penalties (usually, they are paid-off at closing). Consider straight financing or buying equipment, rather than leasing, any equipment needed now.
- Upgrade practice to current standards (imaging, computer management system, etc.).
- Resolve any real estate zoning compliance issues that could impact transfer.
- Examine your own financial needs following the sale. Work with a financial planner to ensure you can afford to sell at this time. *If you did not have your practice valued at 5 years, you really should do it now!*

### **Final year before putting your practice on the market:**

- Clean your facility thoroughly, repair cosmetic damages and deferred maintenance issues, paint, landscape, etc.
- Order a commercial real estate appraisal and review zoning compliance.
- Prepare practice records for buyer's review - financials, contracts, employee records, etc.
- Compile inventory and equipment lists.
- Have a competent broker or marketing expert review your practice and current market conditions.

*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 - for both the buyer as well as the seller.*