

# Readiness, the key to success

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*“The keys to personal and practice readiness lie in planning. Each facet of planning is equally critical to being in a commanding and confident position when the time comes to sell your practice.”*

It seems like just yesterday that you graduated from dental school, excited to begin your journey of improving the lives of your patients. You’ve dedicated your life to your profession and provided a wonderful “work home” for your staff, and now it is time to transition to retirement. Before you pull the trigger on your practice transition, consider your “readiness.” Evaluate your emotional, financial and practice readiness. Your readiness in all aspects plays a considerable role in your ability to land the right buyer and feel confident in your decision.

**Emotional readiness** - Most of us who have personally served our clients or patients for our entire career have invested a significant amount of personal capital in our work. We’ve immersed ourselves in a single focus. Other than family, it likely has been your primary purpose in life. Eliminating that purpose is a major life event that needs to be carefully planned well in advance in terms of redirection of our focus and energies. Making a change like selling your practice without having a new focus can have significant negative consequences.

**Personal financial readiness is critical to your ability to retire.** Unfortunately, studies have shown that fewer than 10% of dentists reach the point of financial independence

despite having an above-average income throughout their careers. Numerous reasons for this are beyond the scope of this article but result from a lack of proper planning. We strongly recommend that dentists engage an independent personal financial planner before they start making major life decisions that may misdirect their cash flow. If you have not worked with a financial planner, now is the time to engage one to build a formal financial planning model. Your planner will help you assess your anticipated cash requirements and income throughout your remaining life expectancy. The plan will also help identify the amount needed from the practice sale to round out your investment portfolio to meet your needs in retirement.

**Practice readiness is key to your practice being attractive to potential buyers.** Top practices have well-defined staff roles and responsibilities, effective and documented systems and processes and up-to-date infrastructure. These practices generate consistently high financial results and thus are more attractive and valuable to potential buyers. We’ve found that an average practice on autopilot usually needs about five years of improvement work to get “tuned-up” to the point of being a top practice.

The keys to personal and practice readiness lie in planning. Each facet of planning is equally critical to being in a commanding and confident position when the time comes to sell your practice.



Dental Practice Advisors provides Dental Practice Management, Financial and Tax services to Dentists across the Midwest. Visit <https://www.ccggb.com/dental-practice-advisors/> to learn more.

The WDA is committed to helping guide member dentists through some of the biggest transitions of their careers – joining, purchasing, expanding or selling a practice. For 2022, the WDA Journal’s Practice Transitions focus will be on the year of the seller. Look for more resources for all stages of your dental career at our Practice Transitions microsite at [www.WDA.org/practice-transitions](http://www.WDA.org/practice-transitions).