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The Complete Roadmap to Practice Acquisition

1. **Professional Team.** Find your professional advisors that specialize in Practice acquisitions (*Attorney, Accountant, Lender, Practice Consultant, Equipment Supplier, Software Supplier, and Insurance Agent*).
2. **Business Entity.** Choose Business Entity (*Attorney*) with tax advice (*Attorney, Accountant*). Formation is later.
3. **Loan Prequalification.** Apply for and obtain Loan Prequalification (*Lender*).
4. **Practice Criteria.** Identify important Practice criteria, such as community type (urban, suburban, rural), property type (medical building, strip mall, shopping center, free-standing), demographics, square footage, number of operatories, gross income, specialty, upgrade required vs. turnkey, partnership vs. immediate purchase (*Practice Consultant*).
5. **Current Employment.** Plan exit from your current work situation (*Attorney*).
6. **Licensing.** Complete and confirm all licensing transfer protocol (*Dental School, Dental Board*)
7. **Target Practices Matching Criteria.** Identify potential practices for acquisition matching your criteria (*Practice Brokers, colleagues, dental society, internet*).

Once you have identified a particular practice of interest ...

8. **Gather General Practice Information.** Obtain general information on Practice, such as financials, demographics, patient base, and Seller's transition plans (*Practice Broker, Consultant*).
9. **Tour Neighborhood and Building.** Tour the Practice building and neighborhood to confirm it matches your criteria for location, amenities, ambiance, visibility, traffic, etc.
10. **Tour Premises.** Tour the Practice premises to confirm it matches your criteria for nearby businesses, ambiance, existing buildout and layout, fixtures, utilities, etc. (*Equipment/ Software Supplier, Practice Consultant*).
11. **Letter of Intent.** Review, negotiate and sign a Letter of Intent to purchase (*Attorney*).

If the Letter of Intent is accepted ...

If the Letter of Intent is accepted ...

12. **Insurance Applications.** Apply for insurance: life, disability, general liability, business interruption, construction bond, malpractice, workers compensation, auto, employment practices, umbrella, etc., all as required by Lender and Landlord or as otherwise desired (*Lender, Insurance Agent*).
13. **Loan Commitment.** Finalize formal loan commitment (*Lender*).
14. **Due Diligence.** Complete due diligence (*Practice Broker, Practice Consultant, Accountant, Equipment/Software Supplier, Property Inspector*). Due diligence includes among other matters ...
 - A. **Chart Review.** Only the dentist can perform this function (*with advice from Practice Consultant*). Type of dentistry completed, quality of dentistry completed, treatment opportunities (under-treatment or over-referral), Practice saturation (over-treatment and under-referral), insurance fraud (chart notes don't match billing records), prior associates now departed.
 - B. **Financial Review.** Tax returns, bank statements, cash flow, profit and loss, ratio of expense categories to typical amounts, identification of add-backs, discrepancies with general Practice information received, etc. (*Accountant*).
 - C. **Billing Review.** The dentist must participate in this function (*Practice Consultant*). Billing and account receivable records: insurance panels joined by Practice, indications of insurance fraud (chart notes must match billing records, non-existent chart notes for billing records, up-coding of procedures, habitual waiver/refund of patient copays or deductibles, etc.), ratio of hygiene to general dentistry to specialty dentistry treatment, ratio of HMO to PPO to FFS patients and billings, new patients per month, etc.
 - D. **Insurance Panel Review.** Investigate and prepare applications (but not yet submit) for new and transferring insurance panels (*Practice Consultant*).
 - E. **Equipment/Software/Website Planning.** Investigate and prepare applications and orders (but not yet submit) for existing equipment/software lease transfers (*Practice Broker, Practice Consultant, Equipment/Software Supplier*). Investigate additional equipment/software purchases and repairs (*Equipment/Software Supplier*). Investigate domain, website hosting, and online advertising transfers, and investigate website modifications (*Web Designer*).
 - F. **Vendor Planning.** Investigate and prepare applications and orders (but not yet submit) for credit card processing, postage meter and copier and other small office equipment purchases and leases, signage, advertising, and office and dental supply purchases and accounts.

If due diligence is successfully completed ...

15. **Business Entity.** Form Business Entity (*Attorney*).
16. **Loan Documents.** Review and sign loan documents (*Attorney, Lender*).
17. **Bank Accounts.** Set up entity bank accounts (*Lender*).
18. **Employee Planning.** Investigate benefit packages.
19. **Final Contract and Lease.** Review, negotiate and sign your purchase contract and lease (*Attorney*). Review and sign escrow instructions (*Attorney*).

If the Contract and Lease are signed ...

20. **Insurance Policies.** Purchase insurance: life, disability, general liability, business interruption, malpractice, workers compensation, auto, employment practices, umbrella, etc., all as required by Lender and Landlord or as otherwise desired (*Lender, Insurance Agent*).
21. **Website.** Complete website modifications (*Web Designer*).
22. **Current Employment.** Give termination notice with your current work situation.

When the Practice Sale Closes ...

- A. **Insurance Panels.** Submit applications for insurance panels (*Practice Consultant*).
- B. **Equipment/Software/Website.** Purchase and repair equipment/software (*Equipment Supplier, Software Supplier*). Apply for existing equipment/software lease transfer (*Equipment/Software Supplier*). Transfer domain, website hosting and online advertising, and upload modified website (*Web Designer*).
- C. **Vendors.** Submit applications and orders for utilities, credit card processing, postage meter and copier and other small office equipment purchases and leases, signage, advertising, and office and dental supply purchases and accounts.
- D. **Office Setup.** Obtain and reset all keys and entry/alarm/software codes, passwords and security questions from Seller. Confirm all supply levels. Install new signage. Install new equipment and computers with appropriate software (*Equipment/Software Supplier*).
- E. **Employees.** Set up benefit packages (*Benefits Coordinator*). Prepare Non-Disclosure Agreement for all staff members, written agreements with professional contractors (*Attorney*). Hire employees and independent contractors.
- F. **Website.** Take modified website live with applicable online advertising (*Web Designer and IT Director*). Calendar date for removal of Seller's information from website.
- G. **Notifications.** Submit notifications to governmental agencies as required (*Attorney*).