

10 Things to Consider Before Acquiring a Dental Practice



When you're ready to be your own boss or expand your practice footprint, acquiring an existing dental practice is an excellent option for many dentists. There are many advantages to taking this route, such as an existing patient-base, consistent cash flow, experienced staff, and readily available equipment. It's easy to see the appeal and convenience of buying an existing operation, but there are some critical elements to consider beforehand. Here are 10 things to think about before acquiring a dental practice.

1



Location

- Is this in a location you see yourself and your family living long-term?
- Is there room for expansion?
- Is there an opportunity to buy the location in the future?
- Will you need to relocate the practice in the near future?

2



Staff

- Are the employees pleasant and knowledgeable?
- How efficiently is the office operated?
- What is the patient scheduling process?
- Is the staff paid appropriately based on area expectations?

3



Competition

- How competitive is the market in this area?
- Is the market already saturated with the same services you will offer?
- How does the fee schedule compare to other practices in the market?

4



Services

- What services are offered at this practice?
- Are you currently qualified to offer these services?

5



Patient Base

- What is the patient base like in this area?
- What are the average collections per patient?
- What type of financing does this patient base typically rely on?
- What is the patient turnover rate?

6



Cash Flow Management

- How is the practice managing payables/receivables?
- What merchant services solutions are in place?
- Does the practice offer patient receivable financing?
- Does the practice accept Medicaid, file insurance or operate as fee for service?

7



Equipment

- How modern is the equipment currently in the office?
- Is the equipment up to your standards or will you need to replace it?
- Is there a maintenance or service plan in place?

8



Computer Systems

- What patient software is the practice utilizing?
- Is the software a subscription?

9



Reputation

- Does this practice have a favorable reputation within the community and beyond?
- What is the overall opinion of patients, staff, and other industry experts?

10



Growth Potential

- Is the practice growing or has it come to a plateau?
- What do their current marketing efforts look like?
- Are they doing raffles for referral sources?