

Prepare for Your Practice's Eventual Sale



10 YEARS BEFORE THE SALE

- Create a Personal Retirement Income Plan
- Get Basic Valuation for Practice
- Hire a Practice CFO
- Hire a Certified Exit Planner
- Hire an Accountant for Tax Planning (not just tax reporting)
- Clean Up Practice Financials
 - Profit Loss Statements (3 Years)
 - Tax Returns (3 Years)
- Review Practice Tax Entity to Maximize Value and Income
- Review Employee Benefits
 - Recruitment Programs
 - Reward Programs
 - Retention Programs
- Determine Your Preferred Exit (Associate, 3rd Party, or Keep the Practice)

SALE TO AN EMPLOYEE (AGREEMENT SET UP 5-10 YEARS BEFORE OWNERSHIP TRANSFER)

- Complete a Practice Valuation to Determine Appropriate Sale Value
- Determine Employee(s)
- Discuss with Employee(s) the Possibility of Sale
- Design the Sale Transition
- Create Direct Compensation Arrangement to Seller
- Hire an Attorney to Create Sale Documents
- Implement Agreement
- Sell Portion of Practice at Lowest Defensible Value
- Finalize Sale Between 5-10 Years for Maximum Tax Benefits
- Finalize and Implement Remaining Steps in Personal Retirement Income Plan

SALE TO CORPORATION/BUYING GROUP (2 YEARS BEFORE SALE)

- Review Practice Financials
- Profit Loss Statements (3 Years)
- Tax Returns (3 Years)
- Complete a Practice Valuation to Determine Appropriate Sale Value
- Review Personal Retirement Income Plan
- Begin Discussions with Buying Groups (minimum 3)
- Negotiate the Deal before Signing Letter of Intent
- Hire Attorney to Review Letter of Intent
- Complete Due Diligence with Buying Company (90-120 days)
- Hire Attorney to Review Final Sale Documents
- Finalize Sale
- Review and Implement Remaining Steps in Personal Retirement Income Plan