

Buyers Guide

Things to consider when
purchasing a dental practice



WHO WE ARE

LANZ.Dental

Dr Tony Dey, founder of LANZ.Dental, has extensive experience with buying dental practices. As we've been in the NZ market for more than 20 years helping dental professionals and Tony has personally acquired a number of practices in Ponsonby, Wanaka, Queenstown and more recently Onehunga, Pt Chev and the Auckland CBD.

Our approach is well refined and buyers can have confidence in the assistance and guidance they receive through the process, whether it's their first practice or they're adding to their network of practices.

15 things to consider when buying a dental practice.

01 LOCATION

It's important to decide where you want to buy. Rank locations in order of preference. Keep an open mind and be as flexible as possible. That way you'll have more options to consider.



02 CONFIDENTIALITY

Make sure you respect the conditions of any Confidentiality Agreements or Non-Disclosure Agreements you sign and if you're working with a spouse, friend or partner, then ensure they also sign a **Confidentiality Agreement**. That way you can share and discuss practice information with your professional business advisers (lawyer and accountant) together.



03 WHAT IS FOR SALE?

Confirm with the vendor what exactly is for sale. Plant and equipment. The building and property or a lease. Check the asset register – are there practice vehicles, furniture or artwork on the walls? What about leasehold improvements?



04 BUSINESS STRUCTURE

What is the ownership structure of the business, and how do you envision your business being structured? Consider options like a sole trader, limited company, or other business forms. Each structure has its own implications for control, liability, and tax responsibilities, so it's important to choose one that aligns with your goals.



05 PARTNERSHIP

Investing in a partnership can be a great way to enter a business. But it's important to clarify: is it an expense-sharing arrangement or a full partnership? In an expense-sharing model, you'll collaborate with colleagues and share common costs, while in a full partnership, you'll jointly run the business, sharing both the responsibilities and decision-making. It's crucial to feel confident and comfortable working closely with your partners, both personally and professionally.



06 GOVERNMENT CONTRACTS

Does the practice have government contracts for DBs? Make sure you understand the terms of the existing contract and that it can be transferred to you as the new owner.





07 **FINANCE**

We suggest you work with advisers who have experience working with the healthcare and dental sector. You'll need to speak with your bank and get finance approved. Confirm the amount of deposit or saving you can contribute. Get a financial forecast budget prepared to show the business will be able to support the proposed borrowings. If you need recommendations or help preparing a budget let our team know. We can help.



08 **LEASE**

What exactly are you acquiring when you purchase a business lease? Be sure to review key details such as the term of the lease, the renewal dates, rent increases, and any other important terms or conditions. Understanding these factors will help you make an informed decision.



09 **BUSINESS ADVISERS**

Appointing professional business advisers in the form of a lawyer and an accountant are strongly recommended. You'll need to take professional advice on the implications of a purchase and if those advisers have experience working in the dental sector – even better. We have names for a number of lawyers and accountants who have worked with dental practice sales in the past, which we're happy to share.



10 **VALUATION**

Review the practice valuation with your adviser. Or if you need one, LANZ.Dental can assist you. Your adviser will provide advice on how affordable any practice is for you. You need to understand what the business is worth and make decisions accordingly.



11 **GOODWILL**

Why do patients return to this practice? The Goodwill value reflects the value of those repeat patients. There is no evidence to support the fear that existing patients won't return once there is a new owner. You should also have a practical transition plan set up so that you, as the new owner, gains the trust of patients and staff.



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VISITING THE PRACTICE

Now's your chance to ask those questions you need answers to and haven't had so far. It could be about staff, patient demographics, clinical procedures or anything else that's important to you. The vendor will be considering whether they can work with you post sale. Use our **check list** to help you think about all aspects of the practice you're considering.



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NEGOTIATE

We recommend you use our licensed real estate agent to assist with the negotiations.



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OFFER

A successful bid is not always 'the highest bid. Often vendors will take into consideration the on-going care of their team and patients once they sell, or how they'll be able to work for you post sale. Vendors always have the choice of who they sell to.



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STAFFING

The vendor may be interested to stay on and work for you as an associate post sale, so it's a good idea to ask them what their plans are once they sell the practice. You will need to have a formal agreement in place with the vendor if they're to continue working in the practice. There may be a clause added to the Sales and Purchase Agreement around a Contract for Services.



Buying a dental practice is an exciting opportunity. Working with our team of professional brokers and advisers, who specialise in dental practice sales, can make the process smoother and ensure you're making a sound investment.

Your dental support specialists



Recruitment | Practice Sales | Valuations

Contact us for a confidential consultation or advice

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