

Providing Proven Solutions in:

Practice Management Consulting

Practice Integration & Mergers

Practice Valuation & Brokerage

Practice Privatization

Strategic Planning

Physician Manpower Assessments

Physician Recruitment

Human Resource Management

Physician Dispute Resolution

Hospital Contract Negotiations

Payer Audits & Negotiations

Payer & Hospital Contract Negotiations

Litigation Support

Clinical Laboratory Consulting

Hospital Management Consulting

Nursing Home Management Consulting



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PLANNING TO SELL A MEDICAL PRACTICE

- ❖ ***Traditional reasons for a physician over 55 years of age to sell include:***
 - To convert the equity in the practice to liquidity (cash), which allows for a more diversified deployment of the equity;
 - To avoid the risk of losing the equity in the event of an unforeseen turn-of-events (death, injury, disability, sickness, etc.)—practice value dissipates rapidly if the practitioner is absent; and,
 - To provide the physician with a negotiated, predictable winding-down and disengagement from full time practice, which can be structured to meet the physician’s plans and goals.
- ❖ ***The sale of a medical practice may include the following:***
 - Asset Purchase Agreement which covers the sale of the tangible (e.g. furniture, equipment, supplies, accounts receivable) and intangible assets (e.g. goodwill, restrictive covenants) being sold;
 - The sale, lease, or sublease of office space; and,
 - A Negotiated Employment Agreement for the selling physician to continue working in the practice if he or she so wishes.
- ❖ ***The Valuation Report:*** Determines the fair market value of the practice. It answers the usual questions that the buyer and its professional advisors will ask and justifies the asking price.
- ❖ ***The Sale Process:*** Typically it takes from six months to one year. It requires an active professional effort to identify, screen, and qualify all possible buyers, protect the seller’s confidentiality, and negotiate the sale. There are no serendipitous “good deals” that materialize without serious effort from an experienced medical practice broker. Our process includes: (1) *conceptualization*; (2) *research*; (3) *pursuit and contact with all possible buyers*; (4) *screen & qualify buyers*; (5) *obtain Confidentiality & Non-Disclosure Agreements from prospects*; (6) *provide practice valuation and asking price*; (7) *promotion of the practice*; (8) *obtain Standstill Agreement from prime prospect*; (9) *negotiation of the deal*; (10) *supervision of due diligence*; and, (11) *working with counsel to expedite the closing paperwork*.
- ❖ ***Background, Expertise, and Availability:*** Our senior staff has prepared over 2,000 Medical Practice Valuations and assisted in the sale of over 900 practices in over thirty states in the last 37 years. When you are ready, we would enjoy assisting you in getting the best price for your practice, and the most seamless transition for your patients.
- ❖ ***It pays to bear in mind that:***
 - The Best Time to Sell Your Practice is: (1) *when you do not have to*; (2) *when it is doing well*; and, (3) *when the market is strong*; and,
 - Maintaining complete confidentiality regarding your plans is crucial.