

# The Dental Transition

N E W S L E T T E R

## In this issue

### Page 1

Hiring the Right Dental Practice Broker in 2025

### Page 2

Pre-Transition Tips for Success in 2025

## Hiring the Right Dental Practice Broker in 2025

Selling a dental practice is one of the most significant financial and professional decisions a practice owner will make. The sale's outcome can greatly impact your financial stability and quality of life after transitioning out of ownership. While previous articles have discussed the importance of hiring a dental practice broker and their role in the transition process, it is equally crucial to ensure that you hire the **right** broker—one who will represent your best interests and facilitate a smooth and profitable sale.

With changes in the dental market, evolving buyer expectations, and increased financing options, selecting an experienced and well-connected broker is more important than ever. Before signing a listing agreement, consider asking the following key questions:

### 1. What Experience Do You Have in Dental Practice Transitions?

Your broker should have substantial expertise in handling practice transitions, including knowledge in finance, accounting, marketing, and professional sales. Given that they will determine your practice's valuation, they must be adept at analyzing financial statements, production reports, and equipment lists to establish a fair market value that aligns with 2025 market conditions.

Additionally, inquire about:

- The number of practice sales they've facilitated in your area over their career and more importantly, how long have they been transitioning practices?—this reflects their market knowledge and ability to price practices correctly.
- Their marketing experience—effective brokers understand both traditional and digital marketing strategies to maximize exposure to potential buyers.
- Their understanding of dental industry trends, such as corporate group acquisitions, private equity interest, and shifts in solo practitioner ownership models.

### 2. Do You Represent the Seller Exclusively?

A reputable dental practice broker should work solely in the seller's best interest to maximize the practice's value. Be cautious of brokers who offer dual representation, where they claim to represent both the buyer and seller or worse yet, when they don't charge a commission on DSO transactions because they are being paid by and are actually representing the buyer. These arrangement creates conflicts of

*Continued on Page 2*

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# Hiring the Right Dental Practice Broker in 2025

*Continued from page 1*

interest, as the broker must disclose all details to both parties—including price negotiations and terms—potentially compromising the seller's position. Instead, seek a broker who:

- Clearly discloses their exclusive representation of the seller.
- Assists both parties in building a strong advisory team (including an accountant and attorney) while maintaining seller advocacy.
- Ensures buyers have the proper financial and professional guidance to make a smooth transition without jeopardizing the sale.

## 3. How Are You Connected to the Local and National Dental Market?

A broker with strong connections in the local and national dental community can enhance your practice's exposure and attract serious, qualified buyers. Ask potential brokers:

- Are they actively involved in dental associations, study groups, and professional conferences?
- Do they work with dental supply companies, attorneys, accountants, practice management consultants, and financial advisors to stay informed on market trends?
- Do they host seminars or webinars to educate dentists on practice transitions?
- Do they have relationships with banks and lenders that specialize in dental practice acquisitions?
- Do they have years of experience to build these relationships?

A well-networked broker will have a pool of pre-qualified buyers ready when your practice is listed, increasing the chances of a faster and more profitable sale.

## 4. What Is Your Marketing Strategy and Buyer Qualification Process?

Marketing a dental practice in 2025 requires more than just placing an ad in a journal. An effective broker should use a multi-channel approach to maximize your practice's visibility. Ask how they:

- Leverage digital marketing, email campaigns, and social media to reach potential buyers.
- Utilize SEO-optimized listings on dental practice sales websites to attract interest.
- Confidentially reach out to people in their network to find buyers.
- Have an up-to-date and informative website.

Additionally, qualifying buyers is crucial to prevent wasted time and ensure serious inquiries. Your broker should:

- Screen buyers based on financial standing, experience, and career goals.
- Require signed confidentiality agreements before sharing practice details.
- Match buyers with practices that fit their philosophy, budget, and long-term goals.

## Final Thoughts

A well-qualified dental practice broker should possess the expertise, connections, and marketing skills necessary to handle your transition efficiently and profitably. In 2025, with increasing competition among buyers—including private practitioners, group practices, and corporate dental groups—having the right broker can maximize your practice's value and ensure a seamless transition.

Before making your decision, seek referrals from colleagues and advisors, research potential brokers, and use these critical questions to ensure you hire the right professional to represent you. Your life's work deserves nothing less.

## Upcoming Events

**Nov 5-7**

Speaking at Buffalo Niagara  
Dental Meeting  
Buffalo Niagara Convention Center

**Nov 6-7**

3Rivers Dental Conference  
Nemocolin Resort  
Farmington, PA

# Pre-Transition Tips for Success in 2025

## How to Maximize the Value of Your Dental Practice Before You Sell

Suppose you're a dentist approaching retirement or considering transitioning out of ownership in the next few years. In that case, the actions you take today can have a **significant impact on the value and marketability of your practice tomorrow**. In 2025, the dental market remains highly competitive, but buyers are increasingly selective. To ensure your practice stands out—and sells for top dollar—follow these key pre-transition strategies.

### 1. Stay Productive—Don't Coast Into Retirement

One of the most common mistakes dentists make is scaling back their hours or production too early. Remember: **buyers and lenders evaluate practices based on the last 3–4 years of financials**. A dip in revenue—even if intentional—can lower your valuation significantly.

**Pro Tip:** Maintain full operating hours, continue offering a wide range of procedures, and stay committed to high-quality care until the point of sale. The stronger your recent numbers, the stronger your negotiating position.

### 2. Tighten Up Overhead

Buyers pay close attention to your profit margins—and so should you. With inflation still influencing operational costs, keeping overhead in check is more important than ever.

Key benchmarks:

**Staff wages:** Should be **24%–26%** of total collections

- **Supplies:** Aim for **6%–8%**
- **Lab fees:** Target **6%–7%**
- **Rent:** Often negotiable (see next section)

Take time to review your Profit & Loss (P&L) statements. If any category is trending too high, take corrective action now so you're not penalized during valuation.

### 3. Review and Update Your Fee Schedule

Many dentists delay updating their fees, but keeping them current can immediately improve their **net revenue** and make the transition easier for their buyers.

Conduct a **fee schedule** audit using 2025 regional benchmarks. Buyers are more comfortable acquiring a practice whose fees are up to date and reflective of the market. This prevents them from having to adjust pricing right after taking over.

### 4. Optimize Your Real Estate Situation

If you lease your space:

- **Renegotiate early**—ideally 12 months before lease expiration
- Know the **current market rates** so you can negotiate intelligently
- If possible, aim for assignable lease terms and avoid personal guarantees

If you **own your building**, consider the strategy that works best for your retirement goals:

- Sell it along with the practice
- Retain, but lease it back to the buyer for long-term income

Either way, consult a **real estate attorney** to ensure the lease or sale terms are structured for a smooth transition.

### 5. Modernize Where It Matters

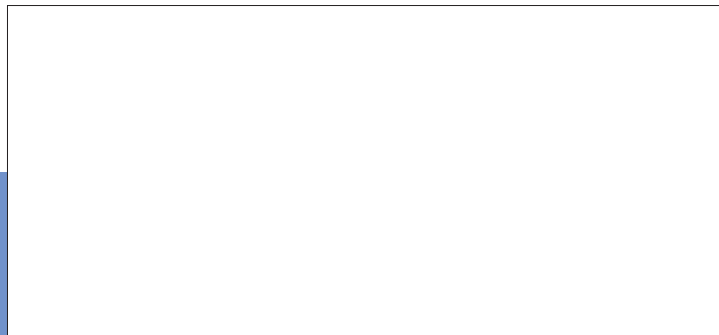
While your financials carry the most weight, today's buyers are drawn to modern, tech-forward environments. Outdated equipment or décor can raise red flags or lead to lower offers.

- If your **practice sale is 2–5 years away**, invest in minor upgrades: replace outdated chairs, update cabinetry, refresh flooring/paint, or install intraoral cameras and digital X-rays.
- These upgrades can often be **depreciated for tax savings** while boosting curb appeal and sale price.

### 6. Meet With Your Financial Team Early

Selling your practice is a **significant financial event**, and preparation is key. Work with your:

- **Accountant** to review tax implications and business readiness
- **Financial advisor** to ensure you're personally ready to retire or reduce hours



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ARTICLES INSIDE:

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## Pre-Transition Tips for Success in 2025

*Continued from page 1*

Solid financial planning gives you confidence and helps avoid surprises during the transition.

### 7. Consider the Impact of Family in the Practice

Family members working in the practice, particularly spouses in management roles, can complicate transitions. Buyers often prefer minimal disruption during ownership handoffs.

If a family member plans to retire with you:

- Create a **succession plan** in advance
- Gradually **transition their responsibilities** to other staff
- Communicate transparently with buyers about the continuity of key roles
- Buyers want reassurance that the **team and systems will remain stable** post-sale.

### Final Thoughts

Transitioning your dental practice is more than a sale—it's the capstone of your professional legacy. By strategically preparing in the years leading up to your exit, you can enhance your practice's appeal, increase its value, and ensure a smooth transition for your patients and staff.

**Thinking about selling in the next 1–3 years?** Start planning now. A dental transition expert can help you assess your readiness, uncover opportunities for value growth, and create a personalized strategy for success.

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**Contact us TODAY to schedule a free consultation!**

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