

Preparing your practice for sale.

Advice

Our wonderful Business Coaches play a key role in assisting members with their succession planning. Kelvin Bartholomeusz, Business Coach in NSW, has assisted countless members in exiting their business on their terms. Below he shares a great snapshot of the entire journey with some really valuable insights worth considering for your plan.



“ The key to an effective succession plan is to have a picture of the end game in mind, and tailor your approach toward this.

Then, give your business a ‘fitness test’ and ensure its a business that you would like to purchase yourself, or be a partner of, prior to engaging in any succession plan discussions.

Our members’ practices that have put in place successful succession plans have worked hard to:

- Have a clear set of goals and mission statement.
- Ensure their Practice is as profitable as it could be under the current structure. (Note that the valuations for a partnership or proposed sale are generally taken at the start of the agreement).
- Systems are in place so that mistakes are kept to a minimum and all team members are clear on their roles.
- Create a team that is customer focused .

Introducing a new team member and future partner or owner is not a case of finding someone to plug a hole in the business. It is a matter of looking for someone who can add value and enhance the patient offering. When we did this, we found that the introduction of the new team member was far more seamless and the new person could see clearly how their role in the business would make a positive difference.

We were always careful to look closely at a culture match as this is critical in order to maintain a positive, productive and harmonious working environment in the practice into the future.

It is also important to ensure that all team members were consulted about what was planned for the business and as much transparency as possible was provided, so that no team member felt they were left in the dark – take them all on the journey as soon as the time is right to do so.

As the succession process roles out, have regular check-ins with both the team and the new partner or proposed owner. There will always be matters that arise no matter how well you plan, and you need to nip these in the bud so that they don’t become problems.

A succession plan can also be relatively short, so 1-3 years. You don’t want it to be the “never ending story”.

Finally, keep in mind the prospective purchasers or partners you approach do not necessarily need to be an Optometrist and may in fact be a current member of your team. If you start looking outside before considering your team members you are likely to create friction in the business. It is also important not to assume that a team member does not have the ability to raise the required capital for a partnership or purchase, especially as there are many options around this that we can help you with.