



SELLER ACQUISITION PROCESS

FLOW CHART

Selling your practice is a very hands-on process. Though your buyer may end up driving the process, you will be navigating. Make sure to take a pro-active approach to ensure the success of your sale and subsequent transition.

Stage 1: Pre-Acquisition

- Get your practice valued so that you know your “high/low” and to better set expectations.
- Offer a tailored NDA (Non-Disclosure Agreement) to allow you to share practice financials/profile and trust that it will stay confidential
- Talk with your financial advisor & CPA about tax consequences.
- Set monetary expectations (& timelines) verbally to help guide buyers in their offer development
- Review LOIs offered
- Ask for how funds will be secured (& confirm status of bank financing if buyer will use a bank. Is he/she expecting a loan commitment letter? When can you be provided a copy as confirmation?)

Stage 2: Acquisition

- Review (or draft) the Asset Purchase Agreement. Check your representations/warranties carefully, review allocations with your CPA, & make sure you are clear on how post-closing matters are proposed to be handled between you & the buyer. All of this will be in writing.
- Draft (or review) transition documents & real estate transfer (lease or purchase). If you have a commercial lease with a landlord, re-review your lease to make sure you are clear on protocol for transfer.
- Work on loan conditions if buyer’s bank needs more financials
- Allow buyer to complete 3-headed due diligence (legal, business, financial). Make sure to request a due diligence plan from buyer if you are concerned about office & computer access. You can (and should) be present during meetings.

DID YOU KNOW?

During Stage 2, you will need to prepare an asset list to show what will be included as part of the sale and what will not. Personal items like art work don't generally add to the financial production of the practice, so you can exclude those, but best practice is to let the buyer know when they first start touring your office.



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FLOW CHART (CONTINUED)

Stage 3: Closing

- Provide copies of loans/liens + valid payoffs & payment instructions to your attorney
- Finalize contracts
- Finalize transition plans, staff introduction plans & patient letters
- Coordinate with buyer to take over or start new vendor accounts. Tally up any prepaids you have incurred for reimbursement.
- Review Settlement Statement for accuracy. Provide secure wire instructions.
- Closing/Funding will occur on a set day. Pull final AR, Works in Progress & Patient Credit Reports for the buyer.



QUICK TIPS

- ✓ Remind your buyer **not** to use your practice address for entity creation or credentialing if staff has not been made aware of your plans to sell.
- ✓ Carefully consider how and when to make staff announcements. Remember that if the buyer withdraws from the deal at any point, you will still have to run your business.
- ✓ Don't give sudden bonuses or pay raises unless scheduled. Instead, coordinate with your buyer to see if you can give hiring incentives in lieu of bonuses as you encourage staff to stay.
- ✓ Before you list your practice, make sure you revisit associate contracts and restrictive covenants. For key associates, covenants not to solicit are items that buyers want to see & potentially inherit.

We can help you each step of the way to welcome you to the next chapter of your life. Schedule a call by texting “SELLER HELP” to (703) 665-3700 -or- book a 15 minute courtesy call by visiting www.thegillisfirm.com