

Patient loss after a sale

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Practice Transitions

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There is a myth circulating in the dental community concerning patient loss after a practice sale. You may have read or heard about practices that have lost 20 percent or more of the patients when a buyer takes over. This myth probably can be attributed to stories based on "I know a colleague who knew a dentist who had the following experience"

Facts overwhelm and dispel myths. My average patient loss after a general-practice sale is less than 2 percent. In addition, my average practice production increases 25 percent six months after a sale. The bottom line is that the transfer of dental practices is highly successful for both sellers and buyers.

Since 1984, I have sold over 250 dental practices. Over 80 percent of the sales were for retirement or relocation. I asked 16 buyers to track patient loss for six months after the transfer. Lost patients were those requesting chart transfers, who indicated they were leaving the practice, or identified by the staff as lost patients. The average patient loss was this number divided by the number of active patients in the practice. The most common reason given for changing dentists was location. One practice lost two patients who had been coming from the other side of the city. Also, if a family is seeing different dentists, they will use this opportunity to consolidate. Buyer production increased by an average of 25 percent within six months after the practice transfer. No practices had decreased production. This corroborates the low percentage of patient loss.

Many dentists believe that the seller must remain with the practice after the sale to minimize patient loss. My average practice transition, for general practices, is 16 days. This surprises many dentists. The most common scenario is a younger dentist assuming a retiring dentist's practice. The new dentist has ideas concerning patient management, clinical procedures, and even the decor of the office. The selling dentist is going through an emotional trauma. Why? The reason is the loss of the practice and the unknown stresses of retirement. Together, these factors can create severe conflicts. The fact is that patients will respect the seller's recommendation with regards to seeing the buyer and continuing in the practice. A longer transition time usually is necessary in specialty practices to convert the referring network of dentists.

I have developed a practice transition checklist to assure a successful transition. The purpose is to plan for a seamless practice transition. The goal is for the patient to see no changes in the practice, except for the person doing the dentistry. The receptionist, who is the portal of entry for patients, is the key person. Her attitude about the buyer and her long-term relationship with the patients will allay any patient fears.

Another key factor is a well-written letter of introduction by the selling dentist. A positive and sincere letter reduces patient apprehensions about the change. Thank the patient for being in the practice. Be sincere about reasons for leaving the practice or retiring. Emphasize staff continuity, and present the buyer as God's gift to dentistry. In the future, when your buyer's financial adviser tries to lower the practice price due to perceived patient loss, show the adviser this article. Remember, facts dispel myths.

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