

Don't Delay Practice Transition Planning

Selling an independent practice can be difficult. Buyers may not flood practice owners with offers, and the offers that do come in may not match what an owner thinks his or her practice is worth. Independent doctors typically want to make sure that the patients who have been so loyal to the practice are well taken care of and that whoever takes over will continue to treat them like family.

But business owners who begin to plan for the long term, often well before they are ready to retire, can gain substantial financial and psychological rewards. They can steer the practice into the future, ensuring their legacy of caring for the community. Here's the story of two Vision Source® practices that created a system for transition that can continue to grow with the business.

Start Exit Strategy Planning Before It's Needed

Steve Rice, OD, says he's excited and blessed to have had his son, daughter and daughter-in-law join him in practice. But he and the practice began planning for his exit strategy way before he knew they would even join the profession. "I encourage colleagues to start that process sooner rather than later," he says of his interactions as a Vision Source® administrator with other members in his region. "We talk about exit strategies and ways to keep our private practices fiercely independent."

The practice has 12 doctors, with two of them recently becoming co-owners number four and five. "Being owners doesn't mean they have to run the practice, but they do have a seat at the decision-making table," he says.

There are creative ways to sell the practice to associates when you find the right match. "Their purchased practice shares/dividends help cover a big part of their purchase loan amount. When it's time for me to exit, I will have received fair



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compensation for my shares, and other owners/associates will

have new opportunities," he says.

It's tricky to map out the specific details since every person and practice are different,

yet one message remains constant—don't wait too long. "Don't wait until you are 60; start at 45, when you don't think you need someone or are only looking for an associate. And don't make the mistake of thinking that it's all about you. It's about your practice."

Dr. Rice advises keeping an open, honest dialogue with associate doctors about their future in the practice. "There is no guarantee that an associate will be an owner, but the doctor should have that opportunity if it's something that he or she would like to do," he says.

Associate ODs should express their interest in ownership but also be patient. He says that young ODs may want a guarantee of ownership after a short time, but that's not always feasible. "Set realistic expectations, and make sure everyone is in alignment. A young OD needs to spend time in both the practice and the community to earn his or her stripes before that ownership decision occurs. There are too many variables for a true timeline. But in the same breath, honesty, integrity and open communication are vital for clarity in ownership and exit strategy discussions." ●

Continued

HOW CAN VISION SOURCE® NEXT® HELP?

Vision Source® members and other independent practitioners who are looking to sell a practice but want to preserve their legacy of private practice optometry can register with the Vision Source Next® program. The program has a network of qualified professionals ready to provide a personalized approach to generating buyer leads, practice financial preparation and succession planning among other benefits. Register at visionsourcenext.com, whether you're looking to sell, buy or potentially partner in an independent practice. ●



No matter where you are—from thinking about independent practice to considering selling one—Vision Source® Next® can help you plan.

Make Transition Comfortable for Patients and Staff

At Athens Eye Care in Athens, Ohio, **Thomas Quinn, OD, MS, FAAO**; **Susan Quinn, OD, FAAO**; and **Shane Foster, OD**, spent a decade planning the practice transition that concluded last year. They titled the theme for 2019 as “subject to change,” asking for everyone’s patience as they rolled out the final changes. There were ups and downs, but because of the lengthy preparation, the doctors all agree that the staff and patients were phenomenal in their acceptance.

Dr. Susan Quinn and Dr. Thomas Quinn opened this practice in 1983. It was their labor

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—Dr. Foster

of love in those early days, when practice revenue just covered the start-up loan, and they worked elsewhere to put food on the table. They broke even their second year, and around the time they celebrated a decade in practice, they relocated to a larger office space.

They say that they were lucky to have found Dr. Foster, who started in the office at the front desk and as a technician before he earned his optometry degree and then returned as an associate OD. He understood the office culture and the value of connecting with the whole team early on. Over time, Dr. Foster took on a greater percentage of

ownership: each was a one-third owner for the first three years, then Dr. Foster had 50 percent and each Dr. Quinn had 25 percent. Finally, Dr. Foster took full ownership on Jan. 1, 2019. The staff was aware of the ultimate change that would occur at the end of this transition.

Still, Drs. Quinn gave ample warning before they were going to step away completely from the office. They told the staff that they would stay on six months beyond the formal transition. “Once the staff was comfortable, we told our patients and then finally the community at large,” Dr. Tom Quinn says. Taking it step by step in the right order is important and the most respectful approach. “Staff knew to wait to talk to patients about it because the information was to be shared in a certain way.”

Dr. Foster was appreciative of the carefully crafted plan for the transition. “We had been talking about this for years, and while

Dr. Foster joined the practice as an associate right after optometry school graduation and became the full owner in January 2019.



BEFORE

(l-r): Dr. Thomas Quinn, Dr. Susan Quinn and Dr. Foster

AFTER


ATHENS EYE CARE
Dr. Shane Foster & Associates

A MEMBER OF *VISION SOURCE*

the logistics and exact details fluctuated, we had a plan for the transition,” he says. “I’ve heard others say that the situation is not always as agreeable when it’s done at the last minute. That can be bad for everyone. Have that discussion early on so no one is taken by surprise—doctors, employees or patients.” ●

Get Expert Advice

Starting or selling a practice is challenging. Vision Source® is here to guide you.

