

## Checklist of Precautions Before Selling a Practice

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1. Do some financial planning to get a good idea what you want as a seller. Think out the whole process so you feel comfortable in the decision. Do this in confidence with the office manager or administrator. Determine if there are other alternatives to consider further. Seek advice on all the considerations if needed.
2. Don't sell practice too quickly for only reason of obtaining more cash immediately.
3. Don't prematurely tell all employees or others of intent to sell. It could jeopardize patient volume.
4. Obtain a fair market value from a qualified medical practice appraiser. Consider more than one appraiser and/or more than one methodology used so that you have a value range to negotiate a sale. Understand the valuation methodology utilized and its creditability.
5. Keep the office modern, attractive, clean, neat, organized and patient pleasing.
6. Use competent advisors to assist in the sale of the practice. This may not necessarily be a local accountant or attorney. Seek a highly specialized and qualified consultant in the field who has a reasonable fee for services. Don't put too much of the sale negotiations in the hands of advisors. Monitor their progress.
7. Consider all tax consequences before structuring a sale.
8. Make sure a proper sales agreement is drafted by an attorney preferably experienced in medical practice sales transactions.
9. Set up a very specific payment plan for a buyer that includes an adequate down payment.
10. Identify personal items or property in the office owned by others that should be excluded as tangible assets of the practice so there is no confusion to a prospective buyer.
11. Include a reasonable restrictive covenant in the sale agreement.
12. Try to sell practice when it is still in sound financial condition with good patient volume, and not after it's run down and tapered off significantly.
13. Communicate closely and in person with prospective buyer and advisors when difficult issues on selling come up. Don't avoid discussions to resolve differences.
14. Be flexible and willing to compromise on key issues in order to finalize a sale.
15. Be sure to have future access to the medical records such as for insurance reasons, research studies, writings, etc.

Publications related to this topic on website [www.practicesupport.com](http://www.practicesupport.com) include:

[Time to Sell? A Guide to Selling a Profitable Practice](#)  
[Medical Practice Valuation Appraisal Guidelines & Workbook](#)  
[Preparing for a Practice Buy-in Arrangement](#)