

Veterinary Ownership Transition Checklist

Planning and Assessing Your Acquisition

Start by assembling a team of trusted advisors, including a CPA, attorney, consultant, practice broker, valuation expert, banker, CFP, insurance provider, and a senior peer professional. This team will help develop a plan tailored to your transition into ownership.

Begin the ownership process by defining your personal goals for the type of clinic you want. For an existing clinic, understand its historical operations to assess performance, limitations, and capabilities. Your approach may differ if you're acquiring a familiar practice versus one foreign to you.

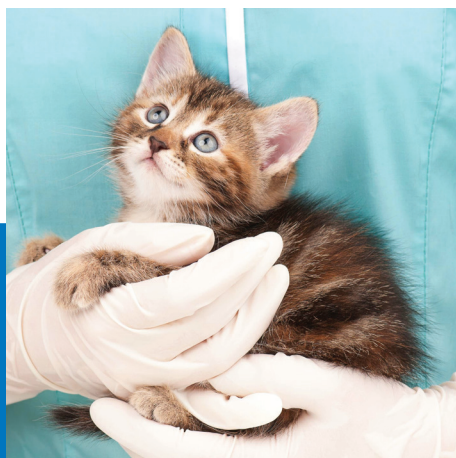
Acquiring a veterinary clinic requires careful assessment and strategic planning for a smooth transition and continued success. Consider if ownership suits you, as it involves additional administrative and leadership duties not typically covered in veterinary education or associate roles.

Quick Tip:

Stability of the clinic in question is critical during the transition process. It is advisable to avoid making significant changes or altering the culture of the practice in the interest of limiting the possibility of client attrition and maintaining familiarity.

Initial Considerations:

1. **Community-** Rural, transitional or urban.
If relocating, are you familiar with the area?
2. **Client base-** Small, large, exotic, mixed, specialty, canine or feline only
3. **Philosophical and clinical match-**
Maintained treatment, referred treatment, clinical competency
4. **Operational hours-** Weekday, weekend, urgent care, emergency
5. **Size and scale-** Single DVM or multiple DVM
6. **Staffing-** Adequate, under or over-staffed.
Compensation rates, benefits, awareness of sale and intentions to remain employed post transition.
7. **Competition-** Quantity, proximity and overlap in perceived geographical client draw radius.
Comparative size and scale to clinic in question.
8. **Facility and property-** Owned or leased, condition and state, clinic occupancy percentage if selling simultaneously and adequacy of facility for future growth objectives.



Personal Preparedness:

1. **Work/life balance-** Do you and your household understand the time commitment the managerial component to ownership will add to your historical workload, above and beyond the clinical time commitments you have had as an employee?
2. **Lifestyle-** If relocating, is your household aligned regarding known or perceived differences that will require adjusting to the new area? Do you have any current or historical ties to the area?
3. **Budgeting-** Will your personal monthly living expenses be flat, diminished or elevated in owning the clinic in question?
4. **Credit worthiness-** Is your personal credit in good standing? Confirm your credit history is accurate and does not contain erroneous information. Do you have any historical credit events (short-sale, foreclosure, bankruptcy, late payment history, liens, judgements, collection accounts, etc.) that must be disclosed and assessed in tandem when applying for a loan? What assets, liabilities or changes may occur to your financial profile in relation to the purchase (elevated student loan payments, credit line usage, housing expense, etc.)?
5. **Work experience-** Be prepared to provide clinical production records from historical employment that validate your competence in producing similarly to the DVM you will be replacing in the subject practice. Update and ready your personal resume, bio and curriculum vitae.
6. **Financial-** Intentions to use personal funds and preparation of bank required forms- personal financial statement, balance sheet, monthly budgetary needs and three most recent years of tax returns, plus current earnings.
7. **Insurability-** Adequate coverage for bank assigned life and disability policies.

Clinic Assessment:

Involve your advisor team throughout.

1. **Historical and current trends in profitability, revenues and collections-** Obtain past three years' tax returns (all pages and schedules), current balance sheet, profit and loss statement for the current year through the most recent month ended, current accounts receivable aging report and practice valuation or appraisal, if available.
2. **Prior owner's role** (clinically, managerially, mentoring, paid or unpaid, duration, etc., as applicable)- Intentions for ensuring the stability of the clinic and transfer of goodwill when endorsing you as the new owner to clients. Understand provided warranties and what the seller or employed DVM's will provide in terms of non-compete and non-solicitation agreements.
3. **Facility-** Condition and state of clinic surfaces, furnishings, fixtures, equipment, supply and drug inventory (useful life, obsolescence, etc.). If leasing- insurance of assignability, sufficient duration and ample renewal provisions.
4. **Practice management-** Historical role and time dedicated by seller vs. administrator or manager, pricing and fees, implementation and usage of practice management software, frequency of performance review, client recall, need for investment and training, etc. as applicable.
5. **Staffing-** Duration of employment, intention to remain employed, employment manual outlining roles and responsibilities, compensation rates and benefits.
6. **Provided services-** Clinical (routine, medical, surgical, western or eastern) and ancillary (emergency, mobile, boarding, grooming, prescription, products, food, boarding, grooming, etc).
7. **Procedural mix-** Clinical comfort in replicating and growing production as well as similarities and differences philosophically.
8. **Inventory audit-** Confirm the quantity and useful life of all supply and drug inventory on hand.
9. **Operational hours-** Average transaction charge and invoice review to assess what is included as doctor associated production (prescriptions, food, supplies, technician work, etc).
10. **New client flow and historical marketing-** Website, social-media, advertising, community, etc.
11. **Community demographics-** Chamber of Commerce, gratis web based data or hired resource to conduct research. Understand where the clinic's historical client base has come from, along with barriers to and opportunities for growth.
12. **Competition-** Complete analysis of competing clinics by conducting research on proximity, services offered, fees, etc. Drive by locations, cold call to solicit information, visit competing websites, employ a competent consulting company if outside assistance is needed.
13. **Opportunities for growth-** Future marketing intentions, new treatment modalities, relocation, vision- needs vs. wants, etc.



Quick Tip:

Pay close attention to the collection practices of the clinic in question, the average transaction charge, procedural mix and average daily doctor production.



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