

A strategic plan for acquiring a new practice

Get started



1. Things to consider when buying a practice

- Did you conduct a thorough due diligence of the practice, including a review of the patient charts?
- Have you considered your hours of operation? Will they remain the same as those of the prior owner, or will they change?
- What types of insurances will you accept and are they the same as the prior owner?
- Will you provide the same services and benefits as the previous owner?
- Have you reviewed your fee structure against the current structure to determine specific charges?
- Are there non-competition and non-solicitation agreements in place for the practice you're purchasing?
- Do you plan on being an associate at another practice while maintaining your own practice?
- Are there any existing staffing issues that could affect the way you run your practice?
- Will you be able to stay focused on your vision for the practice, post-transition?
- Will your marketing plan be in place prior to opening for business?
- Is your philosophy of treatment similar to that of the departing doctor?
- Does the proposed practice provide cash-flow to maintain your business and personal lifestyle? (i.e. mortgage payments, student loan, child care, auto expenses and other misc. expenses)
- Will your skill level match that of the existing doctor?
- Have you met with and discussed the practice with any associates already in place to help avoid any potential personality clashes?
- Did you check to see if the lease space is assignable?
- Have you made sure that the broker has given you full disclosure and that your loan structure is what you agreed to?
- Do the repayment plans mirror your transition plans?



2. Defining your target market

Outline the target market portion of your plan on this form.

Market description

1. Number of potential patients — area population:
2. ZIP code or county breakdown of potential patient base (social, economic, age, etc.):
3. Number of similar practices in the area, age of practices and number of doctors:

Market size and trends

1. Population of area that practice will draw from (draw population):
2. Number of practitioners per total population (e.g., 1 doctor to 1,500 – 2,000):
3. Commercial or residential development or redevelopment taking place:
4. Employment group(s) that make up draw population:
5. Economic and social trends (local and national) that could affect the draw area:

Strategic opportunities

Examples: A new school or business being built in the community, a new insurance provider, large businesses in the area, etc.



Buying a practice

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Staffing

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1st year business projections

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3. Staffing

Use this form to identify the core staff of employees that you ultimately want to represent your practice.

Staffing goals

Describe the number and types of staffing positions that you estimate your practice will need in order to meet your short- to long-range goals. Also consider whether you will offer a bonus program at the outset or in the future.

Year One:

Year Two:

Year Three:

Year Four:

Year Five:

Year Ten:

Staff experience

What background, years of experience, and salary are you looking for in each staff position? (Develop written job descriptions for each staff member along with a performance appraisal system.)

Front desk:	Hourly wage:	Years of experience:	Benefits:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Background:

Licensed staff:	Hourly wage:	Years of experience:	Benefits:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Background:

Licensed staff:	Hourly wage:	Years of experience:	Benefits:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Background:

Associate:	Hourly wage:	Years of experience:	Benefits:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Background:

Other:	Hourly wage:	Years of experience:	Benefits:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Background:



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4. Establishing a marketing plan

Use this worksheet to outline your marketing schedule. List each type of marketing vehicle, the frequency with which you plan to use it, and what you expect it to cost you annually. This will be the basis of your marketing budget and will be used in the projections section of your business plan.

Marketing channel	Expected frequency	Expected date of implementation	Expected cost per year
Marketing consultants			
Signage			
Social Media			
Brochures			
Local Community Centers			
Newspaper ads			
Thank-you cards			
Post-treatment care cards			
Referral cards			

Marketing channel	Expected frequency	Expected date of implementation	Expected cost per year
Search Engine Optimization (SEO)/social media ex. Yelp, LinkedIn			
Flyers/direct mail			
Magazine ads			
Ads in specialty publications			
Television/cable ads			
Special amenities/services			
Refreshments/catering			
Other			
Total estimated marketing costs			



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5. Business budget

Monthly administration expenses	Monthly payment	Annual payment
Facility expenses		
Insurance		
Legal and accounting		
Office expenses		
Outside services		
Phone and internet		
Postage		
Repairs and equipment leases		
Taxes and licenses		
Utilities		
Business loan payment		
Continuing education		
Advertising and marketing		
Meals and entertainment		
Total administrative expenses		

Monthly staff expenses	Monthly payment	Annual payment
Assistant salaries		
Licensed staff salaries		
Office staff salaries		
Health insurance/Employee benefits		
Laundry and uniforms		
Payroll taxes		
Total staff expenses		

Monthly variable expenses	Monthly payment	Annual payment
Supplies		
Part-time doctors/associates		
Dues		
Total variable expenses		

Total business overhead expenses		
Total personal overhead expenses		
Total business and personal overhead expenses		
Projected Year One gross revenue		



6. Personal budget

Monthly household expenses	Monthly payment	Annual payment
Mortgage or rent		
2nd mortgage, if applicable		
Property taxes		
Utilities (electricity, gas, water)		
Internet, cable and telephone		
Groceries		
K-12 education and college debt		
Health/life/disability insurance		
Malpractice insurance		
Other		
Total household expenses		

Monthly auto expenses	Monthly payment	Annual payment
Automobile loan		
Gasoline		
Repairs and maintenance		
License and registration		
Insurance		
Total auto expenses		

Monthly personal expenses	Monthly payment	Annual payment
Clothing		
Medical, dental and prescriptions		
Entertainment and gifts		
Vacation		
Dues, clubs		
Alimony		
Miscellaneous/insurance		
Total personal expenses		

Miscellaneous monthly expenses	Monthly payment	Annual payment
Student loans		
Unsecured loans		
Credit cards		
Other		
Total misc. expenses		
Association income (after taxes)		
Spouse income (after taxes)		
Interest, dividends and other investment income		
Other recurring monthly income		
Total other income		



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7. First-year business projections

Itemization of Expenses	Setup Month	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month
1. Advertising and marketing													
2. Fees: bookkeeping/accounting/legal													
3. Medical supplies													
4. Insurance: casualty and malpractice													
5. Janitorial and maintenance													
6. Laboratory expenses													
7. Misc. dues, office supplies, etc.													
8. Medical equipment and supplies													
9. Remodeling, furniture, etc.													
10. Working capital													
11. Payroll: doctor(s)													
12. Payroll: staff													
13. Payroll: benefits and other costs													
14. Rent													
15. Telephone and utilities													
16. Expenditures subtotal (#1 thru #15)													
17. Cash collected													
18. Less expenditures (#16)													
19. NET CASH surplus (deficit)													
20. Year-to-date surplus (deficit)													
Comments: (specify line or item)													



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 **Let's talk**



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