VALUATION

TIME CHANGES VALUE | 1 of 6

A valuation is not about selling a practice, but a guide on improvements to pursue.

A valuation five years out can influence the value. A last-minute one can only measure it.

Questions about your practice?
Let's connect.

THE NUMBER MATTERS, BUT THE REAL ADVANTAGE IS LEARNING EARLY ENOUGH TO INFLUENCE WHAT SITS BEHIND IT.

TIME CHANGES VALUE

Many owners think of a valuation as a final step before a major ownership decision. At that point, however, it is largely a measurement of decisions already made.

A valuation completed five or more years earlier can reveal which decisions still have time to improve the result / value.

The most useful valuation looks beyond annual revenue. It examines the durability of earnings, patient trends, production by provider and service, cost structure, team and associate arrangements, equipment, premises lease and the risks that may limit future options. It also creates a starting point for tax, financial and transition planning.

Time creates options. The more time you have, the more opportunity there is to influence the outcome.

WHY 5 + YEARS CAN MATTER

TRENDS REQUIRE HISTORY:
A single strong year may be encouraging, but several years of consistent performance provide better evidence that an improvement is sustainable.

OPERATIONAL CHANGE TAKES TIME:
Patient retention, hygiene development, scheduling, staffing and service mix usually improve through steady execution rather than a last-minute adjustment.

SOME RISKS HAVE LONG LEAD TIMES:
Lease terms, tax planning, contracts and major equipment decisions may be difficult or expensive to correct once an ownership decision becomes immediate.

THE QUESTION TO CONSIDER:
If you knew what was driving your practice value today, where would you focus your efforts over the next 5 + years.

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GROWTH CAN HIDE WEAKNESS