

Planning Pays Off: Careful Evaluation of Practices for Sale Provides Good Fit for Veterinarian

Veterinarian Scott McDermott had been working at a thriving Athens-area animal clinic when he met SBDC consultant Jeff Sanford, who had come to conduct an audit of the practice. By the time the audit had ended, both men knew that McDermott's next step would be to own a practice of his own.

"I was ready to do the business as well as the medicine," says McDermott, "but our practice already had four owners. Jeff looked at me at one point and said, 'Scott, when are you going to buy your own practice?' I told him I had been mulling the idea over, looking at other practices, and he offered to help me evaluate potential businesses."

"Scott has a strong reputation for being an outstanding doctor and a great surgeon. He has strong medical skills, strong people skills and is an advocate for the animals," says Sanford. "So I was delighted that he was looking into buying a practice." During a six-month period, they evaluated several Georgia practices for sale.

Brokers would send them preliminary information, which McDermott would discuss with Sanford. "We'd sit down and critique the practice based on what I was looking for. Jeff evaluated finances, staff and hiring, business flow, clients and all the hard and variable costs I would have. He would look at the practices side by side with his full evaluation model," says McDermott.

"Jeff paints a very vivid picture of all of your expenses; where they come from and how you need to cover them. He helps you realize the true cost of a procedure so you do not accidentally undercharge and lose money."

"For someone looking to purchase a practice, Jeff was extremely valuable. The numbers brokers give you might be lower than actual expenses. Jeff would expose the differences in his evaluation. He really opened my eyes about what to expect coming



GOOD MATCH: Veterinarian Scott McDermott found a good fit to grow a business.

into business ownership."

Last spring, Dr. Scott McDermott hung his shingle on the wall of his new Columbus practice, Weems Road Animal Hospital. The practice is doing very well. Its active client base has remained stable, and about 27 new clients come through the doors every month.

"The Columbus practice looked good in our evaluation," says Sanford, "Since Scott has been there, its growth has been phenomenally above what we had projected. That says something right there. It says to me that there needed to be a change. Scott, with his ambition and desire to practice good medicine, was able to make this location work."

McDermott's lesson is useful for any professional looking into owning a small business. "When you're buying a practice – bottom line – buy it only if it's a good match for you," says Sanford. "First, make sure you're able to pay off the note and make a living at the same time. If you can't do that, it's not worth buying. Second, ask whether it is a good fit for you from a quality and a personality standpoint."