

Why dentists partner with invisible dental support organizations

Chip Fichtner

THOUSANDS OF DENTISTS WILL PARTNER with invisible dental support organizations (IDSOs) in 2023 for a variety of reasons. Some doctors want to gain personal time by reducing administrative burdens, some are eager for cash liquidity, and others seek capital and support to accelerate practice growth.

IDSOs become a dentist's silent partner by purchasing 51% to 90% of a practice for cash at today's low tax rates. Doctors continue to lead their practices as an owner. They retain their team, brand, strategy, and full autonomy for years or decades.

Doctors benefit from the resources of an IDSO to help their practices grow faster and more profitably. Choosing the right IDSO partner can create far greater wealth for doctors over time than if they had remained independent.

Smart doctors will look at multiple IDSO bidders before choosing. There are hundreds of IDSOs in all 50 states, and each one is unique in its support, age, size, operational philosophy, and long-term retained ownership value creation potential. The doctor's choice of IDSO partner is critical. Those who choose the right advisor will have six or more qualified bidders from which to choose their new silent partner.

The several Large Practice Sales (LPS) client examples that follow will help dentists understand a few of the many benefits of IDSO partnership and some reasons to become fully educated on the IDSO option.

THE YOUNG, GROWING GP

An under-40-year-old doctor built a practice with more than \$10 million in collections. He developed systems to support his 2023 growth rate of 20%, and he believed that an IDSO partner could help accelerate his All-on-X and implant-focused practice with enhanced marketing.

The doctor was eager to free up his half-day per week of administrative duties to focus on patient care and his growing team. He wanted an IDSO partner in which his ownership of 49% could dramatically grow in value. His new IDSO partner is now laser focused on marketing to grow his practice and they will add 30 new practice partnerships in 10 states in 2023.

AN ORTHODONTIST LOSING PEDIATRIC REFERRALS

A 45-year-old orthodontist with about \$1.8 million in collections, in a large eastern city, lost her primary pediatric referral source when they partnered with an IDSO. The solo practitioner was eager to become part of a dental trifecta IDSO to lock in a source of new-patient referrals from the pediatric specialists in her IDSO family.

She also wanted to use her new IDSO partner's digital marketing team to market directly to patients and to access their low costs on supplies, team benefits, and technology. Her new IDSO partner will add five pediatric dental offices near her in 2023.

LARGE OMS PRACTICE WITH A RECRUITING PROBLEM

An oral and maxillofacial surgeon (OMS) practice with more than \$15 million in collections reached the capacity of their existing surgeons. Despite their Florida location, they were not able to recruit the two new oral surgeons they desperately needed to support their growth. They

chose an IDSO partner that invested years cultivating relationships in residency programs and multiple graduates joined the IDSO partner practices each year. Two new surgeons were added to the practice within 90 days.

GPs WHO WANTED A LONG-TERM EXIT STRATEGY

A \$2.8 million in collections, two-doctor practice in Tennessee was growing, but their insurance reimbursement rates were not increasing as fast as their costs. The doctors, both in their 50s, understood that their practice was too large to sell at a market value to associates.

While a doctor-to-doctor transaction might yield 80% of collections value, an IDSO partnership resulted in the doctors receiving a value of over 200% of collections. They will practice for another five years with higher reimbursement rates and significantly lower benefits and supply costs, thanks to their IDSO partnership.

Every doctor has their own reasons for considering an IDSO partnership. Doctors should take the time to learn how an IDSO partner can benefit them, their team, and their patients. Every practice and every IDSO is different. **DE**



Chip Fichtner is the cofounder and principal of Large Practice Sales, which specializes in Invisible DSO (IDSO) transactions for large practices of all specialties. LPS completed over \$600 million in IDSO partnerships in 2022. Learn more at largepracticesales.com.

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