

Making the Most of 2021

Avoiding Costly Mistakes

Who We Are



DEREK HILL, CPA., CA.

Founder & Broker of Record, Hill Kindy

As a founder of Hill Kindy Practice Sales Inc., Brokerage, and current Broker of Record, Derek successfully specializes in the design and facilitation of complex practice sale and acquisition strategies.

Derek began his career as a Chartered Accountant and was a partner in a CA firm for over 12 years where he developed many tax and operational enhancement strategies specifically for dentists. Since leaving public practice in 1978, Derek has been providing management consulting and practice brokerage services to the dental community.

Derek's background includes studies, degrees and licensure in the areas of philosophy, social work, business, NLP, accounting, practice sales and mediation.

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CASSANDRA PAOLELLA

Sales Representative, Hill Kindy

Cassandra (Cass) Paoella joined the Hill Kindy team in June 2013 as the driving force behind their marketing and client support activities. Her passion for the business of dentistry flourished as she worked alongside Derek Hill and Mary Ann Kindy, leading her to acquire her Real Estate License in 2014. Cass's dedication to her clients, paired with her considerable knowledge and understanding of the marketplace, enables her to facilitate win/win practice transitions.

Prior to joining Hill Kindy, Cass worked as a Sales Support Administrator for a large corporation established throughout Canada and the United States. She specialized in client services & customer communications, functional reporting, project leadership and database development. In her spare time, you will find her reading, crafting, doing yoga or spending time with her family, friends and animals.

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AVOIDING COSTLY MISTAKES

If you are running a full marathon and you fall in the first 20 feet, chances are you can get up and back in the race without it affecting your overall performance. If however you fall in the last 20 feet, chances are you may not get back up and if you do, whatever advantage you may have achieved to that point will be gone.

Mistakes made early in a career are usually recoverable, mistakes made late in a career not so much. The following is a review of the potential mistakes previously discussed.

NOT HAVING A PLAN

- We tend to plan the easy or urgent events like holidays, weddings, office designs etc. but we often fail to plan the not so obvious but more important events such as what to do after retirement or how to go about selling your practice.
- The first step in planning a practice transition is to determine what you want from your transition:
 - Do you want to continue to work as an associate?
 - Do you just want as much money as possible?
 - Is what happens to your staff important to you?
 - Is what happens to your patients important to you?
- Spend some time “Dreaming” about what your perfect transition outcome would look, feel or sound like and then incorporate that into your plan.
- Decide what money means to you and make sure your financial requirements are part of your plan.
- Make sure that your plan is actually possible to achieve – you likely won’t be able to buy the Blue Jays with the proceeds from your sale.
- Make sure the milestones in your plan have a timeline.

STARTING TO PLAN TOO LATE

- It is always important to move towards a goal, so it is never ever too early to start dreaming and planning.
- Some important matters such as tax issues take time (2 years) to resolve and require that you start your planning early.
- It will take three years for the effect of adding incremental revenue, to make a difference in practice value - so start early!
- If you have to move locations, it could take more than three years to fully recover financially from such a move.
- Most people who start anything “Too Late” do it because they procrastinate – if that is you, get an advisor to help.

GETTING BAD ADVICE

- Everyone has an opinion, it's just that they are not all likely to work for you, so be careful with someone else's opinion.
 - Keep the whole picture in mind when filtering through opinions
- Sometimes bad advice is disguised as good advice when it comes from someone who should know better but doesn't – accountants are good at this.
- Second opinions are useful – work with a broker and accountant you know has a good reputation in the dental community.

IGNORING IMPORTANT CONTRACTS

- Premise Leases
 - Don't sign a premise lease unless it has been vetted by a professional leasing expert.
 - In order to sell your practice, you will need a lease of at least ten years and no toxic clauses like such as demolition, termination, restrictive assignments, etc.
 - Have your lease reviewed by an expert NOW
 - If you need to make changes to an existing lease, or relocate your practice because of a toxic clause, you will need plenty of time to deal with these issues.
 - We enlist a third-party leasing specialist to review your leases when completing an Appraisal of a practice.
- Associate Contracts
 - If you have an associate, you better have a proper dental lawyer prepared contract.
 - No contract will affect the value and salability of your practice.
 - Buyers don't like associates with no contracts.
 - CRA can treat associates without contracts as employees which will cost you a lot.
- Employee Contracts
 - Employee contracts are becoming a requirement on the part of buyers and bankers.
 - Be gentle when presenting the concept to your employees – it can be a contentious proposition.
 - Often takes several months to get them implemented with long-term staff.
 - The lack of employee contracts may have a negative impact on the value of any practice, particularly one with long-term employees.

USING THE WRONG PROFESSIONALS

- Accountants
 - Get an accountant who specializes in health professionals and is working with a lot of dentists.
 - Check out the Hill Kindy website to get the criteria for hiring a good accountant.
 - Email us for a list of dental approved professionals
- Lawyers
 - Pick your lawyer based on your needs - be it real estate, wills, taxes or dental.
 - Only use lawyers who specialize in practice sales when it's time to sell your practice.
 - If you need employee contracts, a lawyer who does primarily dental employee contracts is a right choice – try to get referrals.
 - Email us for a list of dental approved professionals

- Brokers
 - Ask your banker or someone from their professional's division who to use as a broker.
 - Ask your accountant who to use as a broker.
 - Pick a broker who will encourage you to "fix it before you list it" i.e. avoid brokers who are more interested in their commission than your transition plan.

For clarification on any of the above topics or for any information about planning your practice sale contact Derek Hill (dhill@hillkindy.com) or Cassandra Paoella (cpaoella@hillkindy.com).

Our value extends beyond brokerage.

Hill Kindy's proven methodologies and integrated service offering sets us apart. Our Broker of Record is a Chartered Professional Accountant, which allows us to better understand the opportunities and implications involved: for individuals and businesses alike.

Trusted Appraisals

Our appraisals are of the best in the marketplace because we use the same best-practice appraisal methodologies as Canada's leading banks.

Strategic Value Enhancement

We specialize in advising dentists on result-driven, short-term and long-term strategies to maximize the value and appeal of your practice prior to a sale.

Collaborative Approach

Hill Kindy not only works closely with practice owners, but with all key members of your team, including accountants, lawyers and leasing experts, to ensure all bases are covered.

Complete Confidentiality

Want world class results without letting the world know about your plans? We will conduct all aspects of your transaction in complete confidence.

Value-Added Services

From transition and retirement planning advice, to practice consulting and associate search: we manage a full spectrum of complementary services.

Planning and Goal Setting

Are you planning for retirement? Moving? Seeking to invest or build a new practice from an established one? Let Hill Kindy be your guide.

Practice Sales

We provide the professional guidance, confidence and support you and your practice deserve. We're motivated to ensure you get maximum value from the sale, while finding a buyer who is the right fit for your staff and patients.

The Right Connection Begins Here



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