

## To Sell or Not to Sell

### **To Sell Or Not To Sell?**

“Selling Your Lab Series” - Written By Darren Lemke, Approach Mgmt. Group Inc. 2011

As one of the founders and past presidents of DTI Dental Technologies Inc, I had the opportunity to speak with many lab owners who were operating laboratories in the mature stages of the business life cycle. One of the questions that weighed heavily on their minds was whether or not to sell.

If you are currently struggling with this same uncertainty, you might want to ask yourself some of the following questions to help you decide where you are in the process of selling:

### **What is my lab worth?**

This question is the most frequently asked, and one of the most difficult to answer. The best answer is, “It is worth what someone is willing to pay.” I realize this sounds vague, but many factors go into the valuation of a laboratory. One of them is the normalization of earnings...after all, “cash is king” in buying a business.

### **Am I ready to sell?**

This is a question only you can answer. We all get frustrated at times, with different aspects of our business. If you feel **certain** that you could walk away tomorrow and just golf, travel or do whatever you want, then you are a good candidate.

### **What do I need to do in order to sell?**

This is a very good question, and not asked as often as it should be. There are many things that need to be in order. Mainly “housekeeping” items that need to be ready and up-to-date that help make a sale easier. This is part of a business check-up process that should be reviewed annually.

### **How long does it take to sell a lab?**

This question varies for many reasons. First of all, do you have a buyer or do you need to find one? Selling a business is a lot like selling real estate, in that you need to market your business to find buyers. Once a buyer has been found, and your “house is in order,” then the negotiations take place. A motivated buyer and seller help speed this process along. Remember, the healthier your business is, the more attractive it is to buyers. Closing times do vary, depending on the professional team you have in place to close a deal.

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### **Do I have to leave after the sale or can I stay?**

This is all part of the negotiations. Remember that “cash is king” and “profit is the queen.” The healthier your business is, the more attractive it can be to a buyer.

### **Will my lab succeed without me?**

For most dental laboratories, the owner is essential to the success of the business. It is important to have a strong second in command, administration and customer service team that holds the confidence of your client base. It is a critical point for any buyer, should you not wish to stay on after the sale.

Once you have committed to the decision to sell your lab you can begin the necessary preparations. For more information on **preparing to sell your lab** email us at [info@approachmg.com](mailto:info@approachmg.com).