	What to consider	Selling to an associate or other private interest	Selling to a corporation
1	**Time to close sale after you find the buyer**	Two to six months	Two to three months
2	**Sale price**	Fair market value considers: > Standard business risk factors > Cost of capital > Amount that lenders will loan and buyers can pay back in reasonable 10-year term (some can extend to 15 years) > Possible requirement that seller carries some of buyer's loan (seller financing)	Investment value considers: > Needs of corporation > A much higher multiple of adjusted EBITDA (or net cash flow) as price—with the help of a broker, as high as double fair market value (but usually 25 to 50 percent more)
3	**Management**	Buyer manages. May be better or worse than seller, depending on buyer experience	Corporation assists onsite manager or replaces with outside manager
4	**Staff nonretirement benefits**	Usually same or less than seller offered (depends on the particular buyer's financial acumen)	Usually better than seller offered (due to large group purchasing power), especially for medical, vision and dental benefits
5	**Staff and DVM retirement benefits**	Same or less than seller had	Usually more than seller had
6	**Seller's ability to continue to work**	Usually transition term only—three months to one to two years	Usually minimum three to five years or longer to maintain consistency in practice
7	**Veterinary client fees**	Usually same as seller's, with slow change or raise	Usually more aggressive client fee increases after three to six months
8	**Real estate option**	Buyer usually prefers to purchase real estate from practice seller	Corporation usually prefers to not purchase real estate. May offer to lease for 20 years, with option for three-to-five-year extensions
9	**Size of practice**	Any size; however, an outside buyer (not employed by the seller) usually needs $500,000 or more to provide employment compensation and purchase payment cash flow	Usually not less than $1 million or $1.25 million revenue practices, with a minimum two to three doctors on staff, with one willing to take on medical director position
10	**Location**	May not be critical with inside buyer. Very critical for outside buyer—if location lacks livability.	Demographics important to support the economy of size required to support $1 million or more revenue and three or more doctors
11	**Seller selection of successor buyer for clients**	Some sellers want that choice of buyer personalities	Corporations do not like to bring in new DVMs within first 1 to 3 years—so seller and/or current associates have to operate the hospital until corporation selects successor later
12	**Technology advances**	Variable depending on buyer's experience, management and finances	Usually no financial barrier, and available soon to raise standards if doctors can operate or are interested in learning to operate new technology
13	**Leadership/ management training**	Usually none, unless buyer has background or interest in self-training	Corporation teaches leadership and management to existing team or transfers in leaders and managers
14	**Possibility of seller financing**	Very common for sellers to finance some of the purchase	Usually never, with a few corporate exceptions that might allow 25 percent financing by the corporation
15	**Possibility of a partial practice sale**	Associates commonly buy minority interests, and it's common in many other private sales	Very uncommon, but possible with a few corporations for up to 25 percent seller-retained ownership
16	**Sale process/ documents**	> Letter of Intent, followed in 30 to 45 days with asset purchase agreements (APA) and often earnest money deposit > APA can be six to eight weeks before closing	> Letter of intent within 30 to 90 days > Asset purchase agreement (APA) > No earnest money (APA at end of due diligence in two to three weeks of closing)
17	**Profitability needed**	Flexible acceptance, if buyer can get a reasonable wage and cover monthly payments on the practice sale	Many corporations demand an adjusted EBITDA (or net cash flow) of roughly 12 percent after deducting market veterinary compensation