

Expert financial advice

A look at the benefits of working with a finance broker during the purchase of a dental practice.



Buying a dental practice will quite possibly be one of the biggest financial decisions you make in your career, and for many it will be a transaction undertaken very rarely, perhaps only once. In most aspects of life, be it work or personal, we will seek expert advice

when required, for example taking the car to the garage if it breaks down, seeing a doctor when ill and, of course, patients visiting our surgeries for dental treatment. Surely then when undertaking a big financial decision, we should get the advice of a commercial finance broker.

David Brewer, the managing director of FTA Finance, explains, "The help of independent finance brokers in transactions such as the purchase of a practice is arguably more important than ever. The days of the old branch bank manager conducting such a deal are gone, and since the global

financial crisis of 2008, credit checks and lending policies have become more stringent. Add to this the fact that many lenders have left the market, replaced by new players, who often conduct their business entirely online, and it can seem a daunting prospect to know if you have secured the best deal available. This is where the support and experience of an independent finance broker is invaluable.”

“A key pre-requisite for a broker is that they are FCA registered, and ideally members of the National Association of Commercial Finance Brokers (NACFB). This means they will need to adhere to strict guidelines of conduct and care and ongoing membership of these bodies requires regular CPD to ensure that brokers are up to date with the latest developments, legislation and lending requirements in the market; think of it like a kitemark for the industry. Beyond this, however, the broker can help in several ways.”

“Firstly, as independent and free of ties to any one lender you can be sure the broker will look for the best overall funding package for you. Their knowledge of the market will mean

they have access to a wider range of packages than an individual borrower, and naturally this increases your range of options and allows you to choose the one that suits you best.”

“Secondly, a broker’s experience and in-depth knowledge of the purchase process means they know how to present information in order to increase the chances of getting a prompt and favourable decision from potential lenders. Again, when engaging a wider selection of lenders it generates an element of competition between them, so increases the chances of a more favourable deal for the borrower.”

“Thirdly, the broker can help tailor your funding proposal and present the information in it, in order to increase the chances of getting a positive outcome on a lending decision. This may involve providing help and guidance on writing the business plan, presentation of the financials or on re-presenting your CV with emphasis on those areas that will ‘tick the right boxes’ for a lender.”

It is advisable too for the broker to ensure their funding panel is reviewed regularly, to maintain a competitive

edge and keep lenders ‘on their game’. This ensures that lenders with the best terms, support and service remain on the panel and those whose standard are lower are periodically removed.

A successful purchase also needs input from banks, accountants and solicitors to name but three parties; the successful broker will have already established contacts and partnerships with each profession and be aware of when and how to enlist their help in the process.

David continues, “For the majority of people, their most precious commodity is time – there’s never enough of it! Therefore, we need to make best use of the time we have. A broker will be able to free up your time to spend on other areas in the practice, for example treating patients, where your skills are most likely better suited and will add more value. The broker’s skills, however, are better suited to organising your purchase, dealing with banks, lenders and solicitors. It really is as simple as letting the experts run the process for you.”

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