Your Complete Checklist to Purchasing an Optometry Practice

Valuation, due diligence, and the purchase agreement steps specific to buying an optometry practice.

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Purchasing an optometry practice can be rewarding both emotionally and financially, but it is also likely the biggest decision of your professional career. Optometry practices come with their own valuation challenges, structural choices between corporate and private ownership, and a purchase agreement that has to reflect the realities of running an optical practice. This checklist walks through what to consider at each stage.

PART 01

Define Your Goals and Philosophy

- ☐ Align your vision and practice philosophy with the objectives of the practice you are considering
- ☐ Assess the different practice types and optometry specialties against local market needs
- ☐ Review the optometry practice market in your target location before you commit
- ☐ Think through your long term career aspirations and how ownership fits your goals
- ☐ Consider your ideal work life balance and how it shapes the size of practice you pursue

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PART 02

Value the Practice Correctly

Optometry practices are harder to value by market comparison than most businesses, since comparable sales are rare and the details are often kept private.

- ☐ Use a valuation approach suited to optometry rather than relying on general market comparisons
- ☐ Engage an appraiser experienced specifically in healthcare and optical practices
- ☐ Confirm the appraiser understands billing and collections from health insurance companies
- ☐ Get an appraisal from a healthcare appraiser your bank will accept for loan purposes
- ☐ Evaluate whether the current business model is sustainable and will support the purchase price

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PART 03

Complete Due Diligence

- ☐ Review patient files to determine the patient retention rate, and understand the cause of any drop off

- ☐ Have your attorney review current lease agreements for the office and for equipment
- ☐ Confirm exactly what expenses and obligations you are taking on under existing leases
- ☐ Review employment contracts for all staff, including associate optometrists and assistants
- ☐ Review the employee handbook, if one exists, to confirm it meets your standards
- ☐ Weigh the tradeoffs of purchasing an existing practice against starting one from scratch

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PART 04

Set Up the Right Structure

- ☐ Decide between corporate optometry, a sublease arrangement, or a fully private practice
- ☐ Weigh the pros and cons of each structure against your goals for autonomy and growth
- ☐ Form the appropriate optometry corporation for your practice
- ☐ Confirm your practice name is available and appropriately protected

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PART 05

Negotiate the Purchase Agreement

- ☐ Work through the strategic allocation of the purchase price, which carries real tax implications
- ☐ If the seller will stay on during a transition, define how long and how involved they will be
- ☐ Confirm how compensation will be determined during any transition period
- ☐ Address an option to renew on the practice lease where one is in place
- ☐ Identify future growth opportunities, such as new services or technology, worth accounting for in price

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PART 06

Finance and Close

- ☐ Determine how much cash you have available and how much of the purchase will be financed
- ☐ Compare lenders who understand optometry practice acquisitions specifically
- ☐ Confirm your financing is secured before you commit to a closing date

- [ ] Plan the transition so patients and staff barely notice the change in ownership
- [ ] Use experienced professionals throughout so you are fully prepared for your first day as owner

Ready to Purchase Your Practice?

Our optometry attorneys have helped hundreds of optometrists with their practice purchases. Schedule a complimentary consultation to talk through your plans.

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This checklist is provided by Dental & Medical Counsel, P.C. for general informational purposes only and does not constitute legal, financial, or tax advice. Every transaction is different, so speak with a qualified optometry attorney before making decisions about your specific practice purchase.

About Ali Oromchian

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Ali Oromchian, JD, LL.M. is the founding attorney of Dental & Medical Counsel, P.C. and one of the nation's leading legal authorities on topics relevant to dentists, doctors, optometrists, and veterinarians. Since its creation, DMC has been regarded as one of the pre-eminent health care law firms devoted exclusively to healthcare professionals.

His clients seek his advice on dental and medical practice transitions, the creation of corporations and partnerships, associate contracts, estate planning, employment law matters, office leasing, and state board defense.

Ali is a frequent speaker on employment law, practice transitions, negotiation strategies, contracts, and estate planning throughout North America, having spoken for the American Dental Association, California Dental Association, Hawaii Dental Association, American Association of Orthodontics, California Society of Pediatric Dentistry, NVision, Vision Source, and countless other state and local dental, medical, and optometric societies.

He is a graduate of the University of California at Davis, where he received a Bachelor of Arts with Honors in Political Science and Rhetoric and Communications, and of the University of California, Davis School of Law, where he received his Juris Doctor. He went on to earn an LL.M. with Honors from The George Washington University Law School. Ali is a member of the California Bar and the Bar of the District of Columbia.