



ACUPUNCTURE CONTINUUM

Acupuncture Continuum, Inc.
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Strategy:	Seeks Acquisition	Average Gross Yearly Revenue (2017-20):	\$180,916+
Office Location:	Encinitas, CA	Average Monthly Revenue / Expenses:	\$15,076 / \$7,867
Website:	SellingAPractice.com/ACO	Asking Price:	\$134,678

Summary

Unique opportunity to own a lucrative half-cash practice in the gorgeous Southern California coastal community of Encinitas. Acupuncture Continuum Inc. (Acupuncture Continuum), currently the acupuncture practice of Karen Sulger, is located in north San Diego County a few minutes from the beach. With an affluent and health-conscious population and consistent return business, the opportunity to have an abundant practice drawing from a major metropolitan area is available from the moment you step in.

Imagine making over \$180,000 per year with plenty of time off for vacation. No additional marketing necessary—the reputation of this practice keeps a steady flow of new patients streaming in. Low overhead, years of records, and consistent patient flow mean you'll continue to keep your costs predictably low. Add more hours, hire an associate, and/or do some marketing, and you have the chance to add even more success to an already prosperous practice.

Whether you are a practitioner who is just starting out or an established clinician with some years under your belt, Acupuncture Continuum offers you the chance to hit the ground running. Step into this rare, once-in-a-lifetime, turn-key opportunity to run the practice of your dreams in one of the most sought-after, tranquil, prosperous areas in the country. Call or email us today, come by and spend some time with us, and be thriving by the end of the summer.

The Setting

The City of Encinitas is located 25 miles north of San Diego and is part of the greater San Diego Metropolitan Area. It has a population of just over 60,000, with easy access to over 3 million others who live in San Diego County. Recently named among the twenty best surf towns in the world by National Geographic, Encinitas wears its surf history proudly. Located along six miles of pristine Pacific Ocean coastline, Encinitas is an unspoiled reminder of the historic Highway 101 beach culture that thrived in the mid-1900s. With the perfect climate year-round, the city is a very popular weekend outing and a great place to live. Kids love nearby Legoland theme park, Sea Life Aquarium, and San Diego Zoo and Wildlife Park. Adults will find all they need from the city's eclectic downtown, with its unique and dynamic blend of San Diego's top surf shops, amazing restaurants, coffeehouses and record stores.

The clinic is located in a large medical office complex easily accessed from the freeway. The office consists of a good-sized lobby and reception area; four treatment rooms; a staff office area; shelving for an extensive herbal apothecary and storage; and a bathroom. The space is modern and tastefully decorated, and parking is free and easy. The clinic maintains a close relationship with nearby health providers and the local community from which it receives many referrals.

Patient Demographics

Acupuncture Continuum specializes in the treatment of (1) fertility and women's health concerns, (2) pain, and (3) facial rejuvenation. The clinic sees everything from subclinical and acute orthopedic conditions to chronic issues that have not responded to other medical interventions. The patient population has spanned from infants to great grandparents, but the majority of the current patient load consists of professionals between the ages of 25 and 55.

The clinic has averaged between 40-50 patient visits per week and has over twenty years of patient files. About half of patients pay in full at the time of their visit, with the remainder using insurance and workers' compensation.

Most patients are from communities within 25 miles of the office. Given the owner's long history in the area, most patients are referred by word-of-mouth and local allied practitioners, while some come through insurance panels and the practice's online presence (all 5-star reviews on Yelp and top-of-page in Google and Google Maps).

The current owner is happy to provide years of past calendars to prove consistent patient volume.

Modalities Utilized

In addition to using standard acupuncture and traditional Chinese medical techniques, the current owner also uses the Richard Tan Balance Method and Master Tung points for pain and orthopedic conditions. She treats with acupuncture, cupping and moxa, prescribing herbal medicine and supplements.

Income and Expenses

The following income and expense summaries are derived from an average of income and adjusted* expenses from 2017-2020. Note that Ms. Sulger has office hours three days per week and takes up to three weeks off per year.

Income

Average gross yearly revenue: \$180,916 (\$15,076/mo)

Expenses

Average adjusted expenses: \$94,404 yearly (\$7,867/mo)

*Adjusted expenses are the net expenses that a new owner would have to take on in order to run the business at the same level of revenue as the current owner.

Net Profit: Average \$86,512 per year (\$7,209/month)

Pricing and Terms

\$134,678 OBO.

The price is based on a conservative professional valuation of just under \$140,000, with an average yearly gross of about \$180,000 for the past several years. The owner's motivation to sell in a timely fashion (due to her impending retirement) has allowed her to generously factor in a potential discount for attrition and start-up costs on change of ownership. She expects the right person will retain her patients and transition smoothly, making this a great opportunity for the buyer.

The purchase will be structured as an asset purchase agreement and may be drawn up between buyer and seller (preferred) or by attorneys, at the discretion and by agreement of both parties.

Approval of the buyer is subject to a credit check, and loans from medical practice brokers, banks, or the Small Business Administration (SBA) may be available to finance the transaction depending on the buyer's creditworthiness. The seller may also be willing to hold the loan given a 50% down payment from the buyer.

Upon purchase, the new owner will receive all patient records and equipment in addition to any supplement inventory. The current owner will also transfer to the new owner all clinic-related intellectual property, including the clinic phone number, website, claimed Yelp and Facebook pages, AcuBase EHR and billing system, MailChimp email system, and clinic-related financials.

The practice currently employs one part-time office manager who expertly bills insurance, markets, schedules and performs many other office tasks. She is an exceptional worker and may be willing to stay on with the practice at the discretion of the new owner.

The landlord is willing to transfer the lease and the current owner will facilitate interaction with the landlord in order to secure favorable lease terms.

The current owner's goal is to surrender the practice by the end of 2020. She would be willing to stay on for a limited time to train a new owner in her techniques and to assist in the transition, if so desired by the new owner, at no additional cost.

Opportunities for Growth

While the current practice nets a healthy return, a motivated buyer could significantly increase their income upon acquisition through a number of simple changes.

- *Work more hours.* Though the current owner has office hours three days per week, there is plenty of room to work more hours in the clinic. There are also part-time renters whose space could be taken back as needed, all of which would obviously increase revenue.
- *Add additional practitioners.* In addition to or in lieu of working more hours, the practice could easily support two or more providers during the times when the office is unoccupied.
- *Reduce the hours of the office manager.* The current office manager expertly runs the office on the three days that the current owner works. If the buyer expands their hours, it would be possible to reduce her hours by taking over some of those tasks.
- *Do some marketing.* The practice has an excellent web presence, does monthly emails to its email list, keeps up relationships with physicians and other healthcare workers. There is room to do much more, especially promoting facial rejuvenation but the clinic has been busy enough that these resources have not often been leveraged. Any additional marketing would create even more opportunities for an increase in new patients and a return of pre-existing patients.
- *Improve online presence.* Blogging, enhancing the website, adding social media, paid online marketing, and doing more email marketing all hold great potential to improve awareness of the clinic in order to generate more revenue.
- *Sell more supplements.* Though a modest percentage of our patients buy herbs and supplements, increasing the marketing to both prospective new patients and current patients could greatly increase income, especially with CBD products. With the practice's extensive apothecary, there is also room to market oneself as an herbalist and potentially do telemarketing for this part of the business.

Take advantage of this exceptional opportunity to run your own popular, low-maintenance clinic in a gorgeous location. Call (760) 525-1256, or email karensulger.ac@gmail.com today.