

Whatcom Family Acupuncture

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Strategy:	Seeks Acquisition	Average Gross Yearly Revenue (2019-20):	\$103,321
Office Location:	Ferndale, WA	Average Monthly Revenue / Expenses:	\$8,600 / \$6,329
Website:	SellingAPractice.com/WFA	Asking Price:	\$73,000

Summary

Unique opportunity to own a popular, high-net practice with a large waiting list in the gorgeous Washington community of Ferndale. Whatcom Family Acupuncture (WFA), currently the acupuncture and Chinese medicine practice of Heather Fairall, is located in growing Whatcom County just north of Bellingham. With a health-conscious population, consistent return business, and **no competitors in sight**, the opportunity to have an abundant practice drawing from a large geographic area is available from the moment you step in.

Imagine making \$100,000 per year working only three days per week with up to a month off for vacation. No marketing necessary—the reputation of this practice keeps a steady flow of new patients streaming in. Low overhead, years of records, and a great reputation mean you'll continue to keep your costs predictably low. Add more hours, hire an associate, and/or sublease some of your space, 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, WFA 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 historic, tranquil, and fastest-growing areas in the state. Call or email us today, come by and spend some time with us, and be thriving in a couple of short months.

The Setting

The City of Ferndale is located 10 miles north of Bellingham, 1½ hours from Seattle and an hour south of Vancouver, BC.. Ferndale is one of Washington's fastest-growing towns with about 15,000 residents, and the clinic draws from much of surrounding Whatcom County's 250,000 residents. Ferndale has the best of what the Pacific Northwest has to offer—an outdoor adventure paradise. It boasts fishing, hiking trails, boating, camping, hunting, skiing, golfing, historical parks and so much more, all within minutes of the front door. Ferndale also has exceptional schools, affordable housing, and a beautiful historic downtown. Just south is Bellingham, home to three colleges, including Western Washington University, a thriving arts and entertainment scene, and repeatedly one of Livability's Top 100 Places to Live in the US.

The clinic is located in a stand-alone building in the heart of historic Ferndale with plenty of parking and easy access to Interstate 5. The office consists of a waiting/reception area with big windows and plenty of seating; 3 treatment rooms; an office/storage space that could easily be converted to a 4th treatment room; a spacious hallway with a drink station and additional storage; and one bathroom. The space is modern and tastefully decorated, and the clinic maintains a close relationship with nearby health providers and the local community, from which it receives many referrals.

Patient Demographics

WFA is a non-specialty practice, seeing 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, and everyone in between. That said, the majority of the current patient load consists of professionals between the ages of 25 and 60.

The clinic currently average about 100 patients per month from throughout Whatcom County. Most patients continue to come in for maintenance on a consistent basis, and the current owner has a waiting list a few months out. She is in-network with all major insurance companies, and about 65% of patients utilize their insurance benefits, while the rest pay at the time of service. All billing is done in-house by the current owner—there are no employees.

Most patients are from communities within 25 miles of the office. Given the owner's long history in the area, almost all patients are referred by word-of-mouth, while some come through the practice's presence on insurance websites.

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

Modalities Utilized

The current owner has been trained in standard acupuncture and traditional Chinese medical techniques and mostly treats patients with acupuncture and cupping, prescribing herbal medicine and supplements to about 25% of her patients.

Income and Expenses

The following income and expense summaries are derived from an average of income and adjusted* expenses from 2019-2020. Note that Ms. Fairall has office hours three days per week and takes up to a month off per year.

Income

Average gross yearly revenue: \$103,321 (\$8,600/mo)

Expenses

Average adjusted* expenses: \$27,367 yearly (\$2,281/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 \$75,954 per year (~\$6,330/month)

Pricing and Terms

\$73,000.

The price is based on a conservative professional valuation of almost \$120,000, with an average yearly gross of just over \$100,000 for the past two years (including during Covid). The owner's motivation to sell in a timely fashion has allowed her to generously factor in a significant discount off of the valued price for potential 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 a loan for the right 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, Facebook and Instagram accounts, MailChimp mass email program, IntakeQ online scheduling and forms application, Office Ally/PracticeMate EHR and billing system, and clinic-related financials.

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 November 2021. 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, which would obviously increase revenue.
- *Add additional practitioners.* In addition to or in lieu of working more hours, the practice could easily support at least one more provider during the times when the office is unoccupied.
- *Add sublessees.* Subtenants could easily cover the monthly rent.
- *Raise rates.* The current owner hasn't raised her rates in years. Doing so would greatly increase net profits.
- *Do some marketing.* The practice does no real marketing outside of its web presence. There is a database full of patient information that could be used for marketing directly to current and former patients, but the clinic has been busy enough that these resources have not been leveraged. Doing any kind of additional marketing would create more opportunities for an increase in new patients and a return of pre-existing patients.
- *Improve online presence.* The current owner has been successful without putting too much effort into creating an online presence. Blogging, improving the website, paid online marketing, and doing some email marketing all hold great potential to improve awareness of the clinic in order to generate more revenue.
- *Sell more supplements.* Only about 25% of patients currently take patent herbal formulas. Giving a greater percentage of patients the option of additional supplements offers another route to increased revenues.

Take advantage of this exceptional opportunity to run your own lucrative, high-profit, low-maintenance clinic. Call (360) 305-9224 or email heather@whatcomfamilyacupuncture.com today.