

Business 101: Securing Financing for your OIS
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The Voice of Outpatient Endovascular & Interventional Centers

ENVISION

YOUR DREAM PRACTICE

VISION FOR ASC/OBL

ASK YOURSELF...

1

When evaluating my physical space - what can be fixed and what cannot?

Does my real estate reflect my level of expertise?

2

3

What is my revenue growth and projected growth?

What percentage of my unrealized revenue am I referring out?

4

WHAT DOES MY REAL ESTATE SAY?



- Outdated?
- Inefficient?

WHAT DOES MY REAL ESTATE SAY?



- Clean
- Cutting edge
- Efficient
- Competent
- Trustworthy

SITE SELECTION

LEASE VS OWN

BENEFIT	OWNERSHIP	LEASE
FLEXIBILTY TO EXPAND	X	X
FLEXIBILITY TO RELOCATE		X
LONG TERM COST STABILITY & CONTROL	X	
ASSET APPRECIATION	X	
TAX ADVANTAGES	X	
POTENTIAL FOR PASSIVE INCOME	X	

TOP 4 SCENARIOS FOR FINANCING

1

LEASE TO OWN

Currently leasing and is purchasing a new building or buying the building currently being leased

3

PRACTICE ACQUISITION/START UP

Starting practice that involves real estate

2

EXPANSION

Out of room and now doing a ground up construction expansion project or purchasing a building to renovate

4

MULTI PRACTICE OWNERSHIP

Starting or buying a 2nd, 3rd or 4th location

LET'S TALK NUMBERS

BUDGET & CASH FLOW

BUDGETING

- Once identifying the need to expand the next step is to ask yourself:
What can I afford?
- *DO NOT* build a project budget before knowing what a bank will lend you for your project. This is like creating a treatment plan before seeing the patient!
- Surround yourself with dental specific industry experts
- What does the bank look at?
 - Cash flow is king!
 - Revenue and operating trends
 - Creditworthiness



CASE STUDY: DR. RAJ AMBAY

AMBAY PLASTIC SURGERY, P.A.
Microsurgery & Cosmetic Surgery

CASE STUDY

DR. AMBAY

HIS PROBLEM

- Outgrown his current location
- Spending \$20,000 - \$30,000 a month to rent surgical facilities
- Limited personal and business liquidity due to investments in current business

HIS VISION

- Own Real Estate
- Build a state of the art ASC from the ground-up
- Add 15 exam rooms for 20 total – 10,600 sq ft

HIS SOLUTION

- Utilize project utilizing exiting business equity & cash flow

CASE STUDY

CONTINUED

- Performed a cash flow analysis with the client and determined maximum allowable budget to be \$4,800,000. Projections for ASC & unrealized revenue taken into account
- Dr. Ambay had less than \$50k in personal liquidity less than 1% down payment, eliminating ability to finance project conventionally
- Approved for 25 years due to strength of cash flow, revenue growth, and good profit margins

APPRAISAL SHORTFALL

Purchase Price (\$500,000) vs As-is Appraisal (\$500,000)

13% Shortfall on "As-Complete Appraisal" (\$4,150,000 vs \$4,750,000)

Additional Strengths:

Strong Cash Flow at 1.35x

Existing Equity in Practice

Next Steps

TOWARDS YOUR DREAM PRACTICE

PREPARING TO BE BANK READY

- Bookkeeping needs to be up to date at least within 90 days
- Have a good CPA that understands your business
- Gathering Information
 - Vision Discussion
 - Three years business tax returns
 - Three years personal tax returns
 - Personal Financial Statement
 - Business Debt Schedule
 - Willingness to pull credit score

RECAPPING YOUR FUTURE



That fits your vision
& goals

Q & A
