

# The Importance of the Executive Summary

## What Is An Executive Summary?

Imagine that you want to sell your practice, and you have a party that is interested in buying it. They want you to send them a document that summarizes everything about your business. It's kind of a business plan, but one in which you are trying to sell the reader on the viability of your practice. In this case, your business plan is to sell the business! This is where the executive summary comes in.

Ultimately, all that you are doing with an executive summary is keeping your potential buyer's attention by leading them through a series of facts that make their decision to buy your practice seem like a very good decision indeed.

To put it in business-speak,

An executive summary, or management summary, is a short document or section of a document, produced for business purposes, that summarizes a longer report or proposal or a group of related reports in such a way that readers can rapidly become acquainted with a large body of material without having to read it all. It usually contains a brief statement of the problem or proposal covered in the major document(s), background information, concise analysis and main conclusions. It is intended as an aid to decision-making by managers and has been described as the most important part of a business plan.

## Four Advantages of An Executive Summary

By the time many of you are reading this article, you may already have taken advantage of the option of a free call with us. In those calls, for sellers, we often recommend that those who are at the very beginning of the process of selling their practice should write an executive summary.

Creating an executive summary has many advantages, not the least of which include:

1. Creating a concise statement about the what, why, when, and how of your sale and the assets that you are selling.
2. The possibility of repeatedly repurposing and reusing the content for placement in marketing as part of the process of selling.
3. It gives you something that you may easily email or snail mail when an interested buyer wants to know more about your practice. This way, if you do some advertising and get a bunch of leads, you can send them all the same document and lead them to your website or other advertising without having to speak to each person and say the same things over and over again.
4. Perhaps most importantly, an executive summary helps you to organize your thoughts and get all of your ducks in a row for the sale of your practice. The elements of the executive summary require you to do some accounting work,

## The Importance of the Executive Summary (Continued)

to figure out the value of your practice, the way that you plan to sell it, the potential growth that may be involved, and otherwise orient a sale to a potential buyer so that they can see, on one sheet of paper, that this looks like a good deal for them.

### **What Are The Essential Elements of an Executive Summary?**

There is no exact, perfect formula for the way that one puts together an executive summary. That said, there tends to be some common elements to them. Generally speaking, they tend to include the following elements (note: these were sourced from a template you may want to [check out from Qlutch](#)):

#### The Hook

This is a compelling statement of why your practice is exceptional. Make it concise and concrete. Do not lead with a description of your team or environment. Buyers are more concerned about making safe bets than almost anything else.

#### The Challenge

Clearly describe the problem that you are going to solve for them. Describe the pain and how you're going to solve it. Could be how challenging it is to start from scratch, how long it takes to start a practice and organize it.

#### The Solution

Introduce your practice as the solution here. Use straightforward language and describe exactly what you have and how it solves the problem you have identified above. This could be how consistently you've been successful, and other language that assures them that your practice would be easy to take over and profit from.

#### The Opportunity

Describe the market here – the size, lifecycle and dynamics of your patient population and referral sources. How fast is it growing? What's driving the growth? Are there other ways to grow that you haven't adopted yet, but the buyer could? Be specific.

#### Your Competitive Advantage

Do you own any intellectual property? A patent? Exclusive distribution of some product? Clearly describe what makes your practice unique.

#### Your Business Model

## **The Importance of the Executive Summary (Continued)**

Describe your revenue here. What are your monthly grosses and costs (on average, over the past 12 months)? It's best if these are predictable, repeatable costs that any new person would take on, such as monthly rent, utilities, employee costs, cost of goods sold, etc. No need to include anything here other the essentials that the new buyer would have to take over to succeed as you have.

### **The Promise**

You're selling an investment opportunity, so use your financial projections to quantify what success you expect to show. Your projections should be defensible. Be wary of general hockey stick curves; you will lose credibility if they're not believable. At the minimum, include a year or two of annual projections for revenue, expenses, net income or loss, based on the average of your last five years.

### **The Ask**

How much are you asking for? Don't ask for too little – a good buyer will expect that you'll be willing to negotiate whatever you list here.

While all of the above elements need to be in an executive summary in some fashion, they don't have to be formally divided up as they are above. Basically, as long as those elements are contained in the document in one or two pages, you've got your executive summary.

### **Making An Executive Summary for a Medical Practice Sale**

To make an executive summary specific to a medical practice, be sure it contains:

- Your financials--those that a new owner would likely have if they took over.
- The advantages of your office's location and even decoration and organization inside.
- Your asking price and how you justify it.
- Of course, don't forget to include your contact info!

### **Where Do I Go From Here?**

You could make a run at doing your own executive summary using the information above, do some Googling around to find some templates, and/or ask us for some help.

We can even do all of the work for you, if you'd like. That's part of what we are here for. Give us a call, let us ask you if you simple questions, and we can whip one of these guys out for you in no time flat! [Contact us now.](#)