



Cascade Acupuncture Center, LLC
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Strategy: Seeks Acquisition
Office Location: The Dalles, Oregon
Website: SellingAPractice.com/CACTD

Average Gross Yearly Revenue (2015-2018): \$199,700+
Average Monthly Revenue / Expenses: \$16,600+ / \$8,185
Asking Price: \$99,990

Summary

Unique opportunity to own a lucrative, high-net practice on the Columbia River in the Columbia River Gorge National Scenic Area. Cascade Acupuncture Center's office in The Dalles (CACTD), currently the acupuncture practice of Carola Stepper, has a history spanning two decades serving the Columbia River Gorge 85 miles east of Portland. With a vibrant, health-conscious population and access to patients from a large geographic area, the opportunity for an abundant practice with an exceptional quality of life is available from day one.

Imagine making \$200,000 per year working 3½ days per week, with at least three weeks off per year for vacation. The exceptional reputation of this practice keeps a steady flow of new patients streaming in. Thousands 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 additional 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, CACTD 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 beautiful areas in the country. Call or email us today, come by and spend some time with us, and be thriving within a few short months.

The Setting

With a population of over 15,000 the community of The Dalles is located on the southern banks of the Columbia River and Washington state border, about an hour and a half east of Portland. The town of Hood River is 25 minutes to the west, and the area between the two towns is known for its incredible array of outdoor adventure, including world class windsurfing, kayaking, river rafting, mountain biking, and winter sports galore at Oregon's highest peak, Mt. Hood. In addition to its dramatic natural resources, the river valley is home to 40 breweries and more than a dozen wineries. Arts patrons enjoy regular theater, music, and cultural events plus iconic museums, and over two dozen sites listed on the National Register of Historic Places.

The Dalles clinic is well located two minutes from the local hospital, and a block away from a large family practice clinic and Cascade Orthopedics--all of which are great sources of referrals. Completely remodeled in 2011, the custom-designed office boasts 3 individual treatment rooms, each with a linen closet, electric lift massage table, client chair, rolling stool, two small tables, and a small laptop desk on wheels. There is also a large group treatment room with 4 recliner chairs (including a recliner that is a zero-balance electric lift chair), 2 practitioner offices, a business office, and an ADA-compliant restroom. The space has plenty of storage in its small storage room, a file room, a hallway storage closet, and a break room with refrigerator, sink, small dishwasher, microwave and a table and two chairs. A

community garden and picnic area, 5 parking spaces plus 1 ADA-compliant, van-accessible parking space just outside the front door.

The space is modern and tastefully decorated with Asian-inspired accents, and has been "feng shui'ed" on multiple occasions.

Patient Demographics

CACTD 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 3 year-olds to great grandparents, and everyone in between. That said, the majority of the current patient load (about 60%) consists of women between the ages of 40 and 60. The clinic currently averages 50-55 treatments per week (2-3 of those being new patients). Approximately 40-45% of patients pay cash and the remainder have insurance.

While our exceptional Web presence brings in many new patients, our visibility and word of mouth plus local practitioner referrals account for the vast majority of new patient visits. The current owner is happy to provide years of past calendars to prove consistent patient volume.

Modalities Utilized

Cascade Acupuncture has been offering exclusively distal style Acupuncture since 2005, with very few exceptions. The owner has trained extensively in the techniques of Richard Tan and Bob Doane and has trained all acupuncturists in those distal styles as well as the Kendall distal style. NAET (allergy elimination) and auricular treatments are also very popular. The clinic does not provide bodywork, cupping, or moxa, although it does have TDP heat lamps and e-stim machines in all treatment rooms. Approximately 40% of patients take supplements and/or custom Chinese herbal formulas.

Income and Expenses

The following income and expense summaries are derived from an average of income and adjusted* expenses from YE2015-2018. Note that Ms. Stepper works in the office 3½ days per week and takes up to three weeks off per year.

Income: Average gross (2015-2018): \$199,700+ (\$16,600+/mo)

Expenses: Average adjusted* expenses: \$98,230 yearly (~\$8,185/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 \$101,534/year (~\$8,460/month) – About 50% of revenue is profit after expenses.

Pricing and Terms

\$99,990 OBO.

Our price is based on a conservative professional valuation of over \$170,000, with an average yearly gross of \$200,000 for the past several years. Our motivation to sell in a timely fashion has allowed us to generously factor in a 40% discount off of the valued price for potential attrition and start-up costs on change of ownership. We expect the right person will retain our patients and transition smoothly, making this a great opportunity for the buyer.

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 for the right 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.

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 select clinic-related intellectual property, including the clinic phone number, claimed Yelp page, CharmTracker billing and electronic medical records program, and clinic-related financials. (Because the clinic website is part of the owner's practice in another town, the new owner will need to re-name the new business and add their own website. The current owner is willing to keep information related to this office on her webpage as well.)

The clinic currently employs one part-time W-2 office manager who has been an integral part of the business for more than 12 years. Patients are accustomed to seeing one of a few different "very part-time" acupuncturists at the clinic, and a small group of office and marketing assistants have split time between this office and our other clinic 25 miles away. The employees are aware of the potential sale and may be willing to keep a similar arrangement at the discretion of the new owner.

The current owner's goal is to transition the practice in 2019. She is willing to stay on for a limited time to help train a new owner in her unique methods, as well as with marketing, networking, transitional office training needs, management, and growth of employees, at no additional cost.

The current landlord is willing to negotiate very favorable long-term lease terms.

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.* Given that the current owner only works in the office up to a few days per week, working more hours would obviously increase revenue. Another option would be for the new owner to take over shifts currently occupied by contract practitioners on other days.
- *Add additional days.* The office is currently closed and unoccupied on Mondays, Wednesday mornings, and Saturdays. Opening the office on these days and times offers another opportunity for increased revenue.
- *Rent out space.* Renting space out to other allied practitioners, in addition to or in lieu of employing other practitioners, could bring additional passive income into the business.
- *Increase marketing efforts.* Although the business has done a good amount of marketing in the past, a number of additional opportunities exist to increase awareness of the practice. Among these are to use our database full of patient information for marketing directly to current and former patients; implement the strategic marketing plan we've drawn up (but have been too busy to implement); participate in local events such as the farmer's market, festivals, and sponsorship of local sports teams; and further outreach to local medical practitioners. 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 in part by maintaining a healthy online presence. Creating a new website, doing more consistent blogging, paid online marketing, and doing additional email marketing all hold great potential to improve awareness of the clinic in order to generate more revenue.
- *Sell more supplements.* Although about 40% of our patients are prescribed herbal remedies. Offering a greater percentage of patients the option is another opportunity for increased revenue.

Take advantage of this exceptional opportunity to run your own high-profit, low-maintenance clinic. Call or text (541) 490-7372, or email cs@cascadeacupuncture.org today.