

Smart timing

By **Mike Timoney**, Dental Partners CEO



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In a speech in Cape Town, South Africa, on 17 June, 1966, Robert F Kennedy said: "There is a Chinese curse which says, 'May he live in interesting times'. Like it or not, we live in interesting times..."

Well 40 plus years on and this rings truer than ever; we are all definitely living in very interesting times. As the depth of economic crisis unfolds before us on a daily basis, it is difficult to know where this is going to lead and how the trillions of dollars currently being pumped into the world by our leaders will leave the economic landscape in the future.

The media is currently full of contradictions, with some saying that things are set to get worse and others saying that the stimulus packages have helped contain the downturn and it's all starting to level out. The main question on everyone's lips at the moment seems to be "is this the time to start investing again". I thought I would address this point in this month's article because part of the Dental Partners model is to release all of the equity currently trapped within your business. If having liquidity in the current market has additional benefits, then this could seriously influence a doctors' decision whether to join our group.

Now, I am not qualified to give financial advice and I am certainly no economist, so I sought the opinion of someone who is working with these economic questions every day. Mr John Peters is a Senior Economist at the Commonwealth Bank. The question I posed was, "Does having access to funds at the moment open up good investment opportunities?"

Now, everyone's investment strategy is different, for some, savings and paying off the mortgage is as complex as it gets and others may have highly sophisticated investment portfolios. However, it is always good to know what the professionals are thinking.

Mr Peters view of the stock market at the moment is that there are certainly some good opportunities available.

In some situations the drop in share prices has "over shot the mark" and now represent excellent value for money. Mr Peters certainly believes that buying the right stock now will show good returns over the next five years. I have personally mainly invested in property over the years, both here and in the UK, so Mr Peters comments on the housing market I found particularly of interest. It is Mr Peters view that house pricing will recover far quicker here than in the markets of the UK and America. Apparently we still have an undersupply of properties and are still building at a rate significantly less than the increase in demand created by immigration and first time buyers released into the market. This not only puts upwards pressure on property prices but also on rentals, so not only could property look like a good investment from a capital growth point of view but the rental returns could also look attractive, especially against a back drop of a very low bank rate.

It is Mr Peters view that property prices could start to recover from as early as late this year. So it could be time to snag a bargain.

As I mentioned in my last article, we may be enduring a recession, however at Dental Partners we are continuing to expand. We have the financial backing of our major shareholder, Abano Healthcare plus the banks and we are still seeking great dentists to partner with this year. Since the recession hit we have not changed our acquisition protocol and we are valuing practices in exactly the same way as we did before the recession, so doctors joining us now are not disadvantaged in anyway.

If your practice is the right match for Dental Partners and Dental Partners is the right opportunity for you, how you spend the equity released to you is of course entirely up to you. The views here are not financial advice, but purely anecdotal however, if your super fund had gone backwards in recent times and perhaps other investments have taken a hit, it is a fair comment that releasing the equity currently trapped in your practice could be deemed to be smart timing.

There is a lot of misinformation doing the rounds regarding the dental corporate companies, so if you are at all interested in knowing the facts about Dental Partners and if the opportunity is right for you then you should simply talk to us, we would be delighted to hear from you. ♦

Mr Mike Timoney, Dental Partners CEO
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- » Exceptional ongoing financial incentives.
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- » Being part of a socially responsible group with high integrity.
- » Succession planning.
- » Work / life fulfillment.



“It was an easy transition to Dental Partners and they fulfilled everything they promised they would in the process. Patients are unaware of any change and the team have been delighted with the extra support they are receiving as part of a larger organisation. The surprise however has been just how enjoyable it is to be part of Dental Partners. The practice is expanding at a time when other practices in the area are starting to struggle and I personally appreciate having extra resources. I still feel I am in business for myself, but no longer by myself.”

Dr Chris Wing & Dr Chris Burton, Noosa



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Find out the FACTS

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