

# 12 Rules of Profit and Selling a Small Business

1.) Without profit, you won't stay in business. If you're a startup, it may take a while to become profitable. Over time, you have to be profitable to continue operating.

2.) Cash is the life blood of your business, but it's not the same as profitability. You might be able to stretch paying some bills to achieve positive cash flow, but it could be the beginning of the end for your practice.

3.) ANYONE can start and run a failing business. No matter how much or how little clinical talent you may have, anyone can lose money.

4.) You can't keep doing the same thing over and over and hope things will change. This is how some say Albert Einstein defined insanity.

5.) "Sooner is better than later, but later is better than never." The sooner you change the course of your practice, the better. It's easier to get out of a shallow hole than a deep one.

6.) Usually it's best to have no debt, but sometimes you need a manageable amount of debt in order to grow your business. Lack of capital could mean slow or no growth.

7.) Profits should be one of your main goals. You're not putting a dollar sign on your patients, you just have to focus on making a profit, otherwise your practice will eventually fail.

8.) A business without profits or a good reputation has no value to a potential buyer. No buyer in their right mind would purchase a failing business, he/she would rather start from scratch or buy another practice instead.

9.) Usually, profits should increase consistently every year with little exception.

10.) Increased equity should be a focus. If your practice is cash-rich, you can leave enough money in your business for working capital to manage expenses and debt repayments, or initiate a growth plan.

11.) When you want to sell, your practice should be managed well and show steady annual growth. "A buyer buys the future potential but wants to pay for it at last year's prices."

12.) There are pros and cons to selling to a competitor. If you don't make a deal, you've shown your information to the competition. Additionally, if you want to pass your business on to your children, make sure they really want it and it's a business you want them in.