



EVERGREEN

Center of Oriental Medicine

Evergreen Center of Oriental Medicine
Contact: Roger Fenneman or Hsiao Hsien Chu
(623) 271-5138
Wuweiyao5@gmail.com

Strategy: Seeks Acquisition
Office Location: Glendale, AZ
Website: SellingAPractice.com/ECOM

Average Gross Yearly Revenue (2016-20): \$233,157
Average Monthly Revenue / Expenses: \$19,430 / \$9,452
Asking Price: \$169,500

Summary

Unique opportunity to own a lucrative and unique all-cash, always-booked, high foot-traffic practice in the growing Phoenix suburb of Glendale, Arizona. Evergreen Center of Oriental Medicine, currently the acupuncture and herbal medicine practice of Roger Fenneman and Hsiao Hsien Chu, is located within easy reach of all that Phoenix has to offer. With a health-conscious population and consistent return business, the opportunity to have an abundant practice drawing from a major metropolitan area is available from the moment you step in.

There is also an optional real estate opportunity: an interested buyer could purchase the amazing building (see "Option to Purchase the Building" section below).

Imagine making over \$230,000 per year working only four days a week with plenty of time off for vacation. No marketing necessary—the reputation of this practice keeps a steady flow of new patients streaming in. Fourteen years of records and consistent patient flow mean you'll continue to keep your costs predictably low. Add more hours, accept insurance, hire an associate, and/or sublease some of your space, 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, Evergreen offers you the chance to hit the ground running. Now is the perfect time to relocate - the State of Arizona offers an extremely generous universal recognition and reciprocity policy for acupuncturists. Step into this rare, once-in-a-lifetime, turn-key opportunity to run the practice of your dreams in one of the fastest growing areas in the country. Call or email us today, come by and spend some time with us, and be thriving in a few short weeks.

The Setting

The City of Glendale is located 9 miles northwest of downtown Phoenix and is part of the greater Phoenix Metropolitan Area. It has a population of just over 250,000 with easy access to 1-1/2 million more who live throughout the metropolitan area. Glendale residents include many celebrities and professional athletes, and the city also gets a steady stream of year-round tourists - all of whom enjoy front row seats to abundant sunshine, limitless outdoor activities, and unforgettable sunsets. The perfect aesthetics stretch beyond the picturesque desert, with many museums, top-tier restaurants, farmer's markets, and retail establishments. Head east to enjoy the pristine McDowell Sonoran Mountains, the nation's largest urban preserve.

The clinic is located in the heart of downtown Glendale's historic Catlin Court business district—a pedestrian-friendly retail/business area with plenty of foot-traffic in front of the clinic (especially during the ample festival seasons). The building is surrounded by restaurants, coffee shops, offices, as well as frequent food and art festivals. The office consists of 2 treatment rooms, a consult room,

one patient bathroom and one private/practitioner bathroom with shower. It also has a kitchen/lunchroom and a storage room that could be converted into usable space. The reception area includes custom-built shelves for retail products and an island for herbal preparation, as well as a separate scheduling/payment counter.

Patient Demographics

Evergreen 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 late adolescents to great grandparents and everyone in between. That said, the majority of the current patient load consists of professionals between the ages of 25 and 60.

The clinic currently averages about 20-25 acupuncture sessions and 25 herbal consults per week. The acupuncture sessions last just over an hour and the herbal consults are 10-15 minutes by phone. About 3-4 new patients show up each week, and **the practice is currently scheduled out three months in advance**. Most patients continue to come in for maintenance on a consistent basis, and the clinic is 100% cash/pay at time of service. No insurance billing!

Modalities Utilized

Acupuncture is used for various pain syndromes, musculoskeletal disorders, nervous disorders, and sports-related injuries. Herbal formulas are prescribed for internal medical conditions such as digestive diseases, male reproductive/urinary diseases, women's health, and other conditions. Herbal prescriptions are filled, decocted, and packaged in-house into convenient pouches that are easy to transport and store. Custom tinctures are also made once a condition is stabilized for maintenance care.

The practice has a comprehensive herbal pharmacy that presently contains over 300 individual herbal medicines, which provides the flexibility to prescribe custom herbal formulas based on each patient's unique presentation and underlying patterns.

Income and Expenses

The following income and expense summaries are derived from an average of income and adjusted* expenses from 2016-2020. Note that the owners work only four days per week.

Income

Average gross yearly revenue (4 years): \$233,157 (\$19,430/month)

Expenses

Average adjusted* expenses: \$113,423 yearly (\$9,452/month)

*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 \$119,734 per year (\$9,978/month)

Pricing and Terms

\$169,500 OBO.

The price is based on a conservative professional valuation of \$184,000, with an average yearly gross of over \$233,000 for the past several years, even through Covid. The owners' motivation to sell in a timely fashion has allowed them to generously factor in a significant discount off of the valued price for potential attrition and start-up costs on change of ownership. They expect the right person will retain their patients and transition smoothly, making this a great opportunity for the 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.

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.

Upon purchase, the new owner will receive all patient records and equipment (with the exception of herbal processing equipment), in addition to any supplement inventory. The current owner will also transfer to the new owner all clinic-related intellectual property, including the clinic phone number, website, Yelp and Google Places pages, and clinic-related financials.

A smart buyer may also be interested in purchasing the building along with the practice. For more information on the building, reach out to us.

If the buyer does not want to purchase the building as part of the sale, the current owners of the practice will act as landlords and are willing to establish favorable lease terms.

The current owners' goal is to surrender the practice during the summer of 2021. The owners would be willing to stay on for a limited time to train a new owner in their techniques and to assist in the transition, if so desired by the new owner, at no additional cost.

Option to Purchase the Building

A buyer may also be interested in purchasing the beautiful clinic building, where owner would be permitted to operate a business and also reside therein. For further information, on the lovely 1500sf space, contact us at Wuweiyao5@gmail.com.

If the buyer does not want to purchase the building as part of the sale, the current owner will act as landlord and is more than willing to establish favorable rent and 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.

- *Expand office hours.* Though the current owner has office hours four days per week, there is plenty of room to work more hours in the clinic and bring in more revenue.
- *See more patients per hour.* The current owner has preferred to spend approximately 1 hour with each patient, but a new owner could take advantage of the ample space and treatment areas to see more than 1 patient per hour.
- *Bring on additional practitioners and/or sublease space.* In addition to or in lieu of working more hours, the practice could easily support at least one more provider during the times when the office is unoccupied.
- *Accept insurance.* The practice is proud to be a low-maintenance, all-cash practice. An enterprising new owner could certainly attract more business by accepting and billing insurance.
- *Increase marketing efforts.* The practice does no marketing outside of its web presence. There is nearly 15 years of patient information that could be used for marketing directly to current and former patients, but the clinic has been busy enough that these resources have not been leveraged. 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 owners have been successful without putting too much effort into creating an online presence. Blogging, improving the website, paid online marketing, and doing some email marketing all hold great potential to improve awareness of the clinic in order to generate more revenue.
- *Sell more supplements.* About 10-20% of patients currently take raw herbal formulas, and up to 60% receive patents, tinctures, and supplements. There is plenty of space and potential for retail at the clinic. Giving a greater percentage of patients these options provides another opportunity for increased revenue.

Take advantage of this exceptional opportunity to run your own all-cash clinic in a growing community. Call (623) 271-5138, or email Wuweiyao5@gmail.com to set up an initial call or clinic visit.