Considerations:	Purchasing an Existing Practice	New Practice Start-up
Track Record	Has historical financial data on which to base future performance.	There is no historical financial data; therefore one must speculate when projecting future performance.
Cash Flow	The business generates cash flow – hopefully positive cash flow – from day one.	Typically takes on average 1-3 years to reach breakeven and generate positive cash flow.
Patient Base	A quality patient base is a huge asset and positive reason to purchase an existing practice. That said, changes may be necessary and finesse is important to maintain those patients.	It can take years to establish a quality patient base, which is a big disadvantage to a start-up unless one plans to transfer patients from another existing office within the same organization.
Employees	Employees can make or break a business. Quality employees can ease the transition to a new owner. On the down side, established employees can also undermine change.	Must interview, hire, and train all employees or pay a consultant to do so. Have maximum flexibility in building a team without prior biases.
Systems & Policies	Most successful practices have established systems & policies, which can be continued. That said, change can be difficult.	Must establish all systems & company policies (clinical, financial, operational, marketing, etc.) or pay a consultant to do so.
Suppliers, Vendors, & Manufacturers	Accounts can generally be transferred if they are in the business name, which could give a credit advantage.	Must establish accounts with all suppliers, vendors, and manufacturers or pay a consultant to do so.
Referral Sources & Third Party Payor Contracts	Many third party payor contracts can be transferred to the new owner with the payor's & prior owner's permission.	Must establish all referral sources and secure all third party payor contracts and/or preferred provider status.
Business Concept	There should be plenty of data to prove the business is successful and/or how the new owner plans to expand.	Although loan failure rates are low for audiologists, a new business is not a proven business… this takes time.
Marketing Strategy	There should be an existing marketing plan with proven strategy & pieces.	Must establish marketing plan, concepts, and pieces – none are proven.
Consolidate the Competition	When you buy an existing practice you are eliminating one competitor.	When you open a practice you are adding to the competition in the area.
Practice Transition	Selling audiologist should be willing to help during the transition & stay with the practice for some time after closing.	There is no prior owner and therefore one must find help and resources from other sources… more on your own.
Perception of Success	Immediate credibility and perception of success.	Credibility and the perception of success take time to build & establish.
Risk of Failure	Although more expensive, generally considered less risky than a start-up assuming positive cash flow, proven track record, and stability of business.	Less expensive than purchasing an existing practice. Although start-up financing is available, lenders prefer to finance an existing practice purchase.