Exit Strategies: Planning for Practice Transfer and Retirement

CHAPTER 40

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Don't simply retire from something; have something to retire to.
— Harry Emerson Fosdick

Many business texts and presenters point out that a good business plan should include an "exit strategy" from the outset. Having some idea of how the business might be transferred or transitioned at some point in the future is an important aspect for optometry practices. This chapter will present various aspects to consider when planning for a smooth, financially rewarding practice transfer, as well as a smooth transition into another phase of life.

EXIT STRATEGY OPTIONS

Outright Practice Sale

The practice is sold, the previous owner leaves, and the new owner takes over. Often, this course of action is not a planned exit strategy but rather necessitated when retirement is very near or health considerations require retirement. Ideally, a strategy would have been implemented for a more effective option earlier in the practice life cycle. When no other plan for the smooth transfer of the practice has been devised, however, the practitioner may be left with attempting an outright sale.

An outright sale might be the best option for the owner who is very accustomed to being in charge and autonomous and does not care to work with or for another doctor. This also might be the required option for a small practice in an area in which little practice growth is likely. For example, a small town practice that has a gross of $250,000 might have provided a comfortable living for the owner, but there would be little possibility of sharing the income between two doctors. Thus an associate arrangement or a planned phase-out would not be as feasible, and an outright sale becomes the best option.

An outright sale may also be necessary in the event of an owner's death, in which case a speedy sale will ensure the estate receives the maximum value possible. If the practice has not prepared for a transition in any other way, it is important that at least some plans have been developed to guide family members of the deceased in the steps needed to result in a practice sale or transfer. Details on how to keep the office running and open, how to find part-time optometric help, lists of advisors to consult (both in and outside of optometry), where to look for help finding a buyer, and perhaps some general outline of how a sale might be best accomplished should all be outlined and left for the family. This planning should be done by all solo practitioners, both in private ownership or commercial/independent contractor situations, in which practice transfers might be necessary after an unexpected death or disability. Ideally, these details would be updated regularly to keep the content current.

The outright purchase option may not bring the highest purchase price compared to other options. It also does not allow a smooth transfer of patients with the introduction of the new doctor over time or provide for an adaptation period for the staff. Change is abrupt, which can be very unsettling, at least initially. There is some risk that patients or the community in general will not see the sale as a transfer or continuation of services but rather as a new practice. If this occurs, there may be a significant loss of the patient base. To offset this effect, letters and public announcements from the previous owner (or their family members in the event of the death of an owner) can introduce the new owner to patients and the community. The letter would emphasize the smooth continuation of the services provided by the practice, express praise for and high confidence in the new owner, and include a strong recommendation for the new owner.

Implementation Time Line

Although a time line may seem to be a short, almost last minute action, there generally does need to be some understanding and allowance for the time a sale will take. It may take several years to find an interested buyer, and the negotiation of a contract leading to the actual purchase is typically a 3 to 6 month proposition. Therefore, when retirement is being considered and an outright sale is the strategy, the process should be started a minimum of 2 or 3 years in advance of the expected retirement date.

Outright Practice Sale with Transition Time

In the scenario of an outright sale with transition, the practice is sold, but the previous owner stays on and assists the new owner with the transition for a period of time after the sale. This allows patients to experience a more orderly transition

of the existing practice rather than an abrupt change to a new practice. The previous owner is able to introduce the new owner to patients and the community over a period of time. The more seamless the transition, the more likely patients will be retained in the practice, so this may add additional value to the practice purchase price.

In this scenario, the management of the practice is immediately transferred to the new owner. All decisions regarding staffing, hours, services, and policies are the sole responsibility of the new doctor. In the best of cases, however, the new owner is able to benefit from some transfer of business knowledge from the previous owner during the transition time. Both doctors need to be sensitive to the unique position of the other to make their time working together as fruitful as possible.

The practice income needs to be great enough that at least a portion can be shared with the previous doctor and the new owner, retaining enough to enable the new owner to make payments on the purchase, as well as take home an adequate income. While the staff may be comforted by the previous owner's presence, there is also the possibility of conflict if the seller resists or discredits changes the new doctor institutes. It can be difficult for a solo practitioner of many years to accept not being in control. Care has to be taken to be as positive and supportive of the changes as possible. If that does not occur, the phase-out process will need to be accelerated.

Implementation Time Line

The time needed to find a buyer and negotiate a contract will be similar to the outright sale option. Added to this will be the transition time period. Depending on the length of that period, the time frame to plan for the implementation of this strategy would typically be in the range of 2 1/2 to 4 years before retirement.

Adding an Associate, Leading to Partnership, and Leading to Transfer

Adding an associate that would lead to a partnership and then transfer is the exit strategy that best maximizes the value of the practice and may ultimately result in the highest purchase price for the practice. This option is most beneficial to serving the needs of patients in the practice, as well as most beneficial to maintaining the health and viability of private optometric practice in general. Whenever possible, this would be the desired exit strategy for most practitioners. For this reason, Chapter 9 presents a detailed guideline for implementing this option.

This is also an option that requires more advanced planning, as it is best done at least 5 to 10 years in advance of a planned retirement, as opposed to the shorter period for the first two options. This is also the option that maintains or accelerates practice growth and may add additional services or benefits for patients as well. The length of time for the various stages to occur, whether associate, partnership with established doctor in control, partnership possibly with shared control, partnership with the new doctor in control, or a phase-out period for the established doctor, may vary widely. This will depend on the age of the persons involved, the individual personality and management skill, and the desired time for retirement. This option allows for the most orderly transition of ownership and a certain security for the older doctor knowing that the practice transition plan is in place. It enables the new associate to become comfortable with the office flow and procedures, staff, and patients and get acclimated and comfortable in the community before shouldering the major responsibilities of ownership.

Partnership of any kind requires a certain amount of give and take. The established doctor must be able to accept input from the associate and be willing to adapt to change. Allowing and encouraging the associate to add new skills, knowledge, techniques, or technology to the practice is one of the significant advantages of adding him or her to the practice. A good example would be the conversion of an office to an electronic medical records (EMR) system in which the senior practitioner may find this a difficult transition not only from the standpoint of a change in routine but also from the standpoint of lacking necessary computer literacy. Yet, this is exactly the type of skill that a more recent graduate, already familiar with EMR systems and already computer literate, brings to a more-established practice. While the fit between senior and junior practitioner is perfect for the practice, the transition may at times be frustrating for both. The associate must have a long-term view to avoid any frustration from "not being in charge" and have the patience to allow the relationship with their partner(s), staff, and patients to evolve over time. As with any relationship, conflicts of style or opinion and personality differences may result in failure of the partnership. If the associate leaves before completing the transition, this same exit strategy needs to be employed again, unless timing does not allow it, in which case other options may need to be used.

Implementation Time-Line

The optimal time to implement this strategy depends less on the desired retirement age and is more a factor of the practice strength. Ideally, the process of bringing in an associate would occur when the practice is at or nearing a peak in its growth. By tracking the practice growth rate from year to year (growth being the percentage the gross revenue changes compared to the previous year), a practice can make transitions when this growth rate is nearing a peak. If an associate can be added then, the practice will be able to sustain and then increase the growth, as opposed to waiting until the growth has already begun to decline. Often, this will be in a time frame of 10 to15 years in anticipation of the senior doctor's expected retirement date. For some practices, this might occur as early as 20 years in advance of retirement, or it can be a viable option as late as 5 years before retirement.

Merging Offices, Leading to a Sale or Adding an Associate

In cases where a practice might not be able to add an associate, there may be the possibility of merging with another existing practice in the community that may be in a similar

situation. Depending on the age and retirement expectations of the owners, this option might result in the quick phase-out of one doctor, result in a partnership situation similar to the third option given previously, or may involve the two previous owners bringing in a third as an associate, again evolving to resemble the third option in the previous section.

For example, two practices grossing $400,000 exist in a single community: Practice A and Practice B. Neither practice may feel like they can financially afford to add an associate and that only limited growth is possible in their area. One or both are attempting to develop an exit strategy for their practice transition and would like to increase the value of their business before selling. Once they have merged, they may be able to afford an associate immediately, or they may afford a fulltime associate if one of the doctors is reducing his or her time in the office.

If Dr. A is nearing retirement age and Dr. B is not, they may merge their practices and operate together for a short time and then find an associate to allow Dr. A to either phase-out or retire. Dr. B and the new associate then practice together with various options as to ownership percentages, and eventually Dr. B can phase-out in a similar manner when another associate is added. Both Dr. A and Dr. B were able to execute favorable exit strategies that they may not have been able to do on their own because of the practice merger.

If both doctors are not near retirement age, they might practice together for a period of time. When enough growth has occurred, they can bring an associate into the practice, which assures the orderly transition in future years. Group practice is the most efficient mode of practice and the savings realized from not duplicating equipment, space, or staff will generally allow higher practice net incomes. The larger size may also allow the purchase of additional testing equipment resulting in enhanced patient care, practice satisfaction, and income. These benefits are in addition to the security provided by having a more easily executed exit strategy. There have even been examples of more than two existing practices merging in some manner, providing better exit strategies than any of the individual practitioners would have had alone.

Implementation Time-Line

Generally, these practice mergers happen when one or both practitioners are nearing retirement age but could occur earlier if planning exit strategies well in advance. Enough time needs to be allowed to accomplish a somewhat complicated marriage and merger of the practices, as well as to find a possible associate who can then be looked at to assume future ownership as one or both of the original doctors anticipate retirement. Ideally, this would be started at least 5 years before the expected retirement date. It certainly could be done at any earlier time and might be possible in as little as 2 to 3 years.

Close the Office and Liquidate Assets

Closing an office is the least desirable option from a financial standpoint, as well as with regard to the patients served and the health of the profession in general. At times, when more doctors are reaching retirement age, a buyer's market of sorts may exist. If a practice has been allowed to decline in growth, has not remained up-to-date in terms of the care delivered, or the physical facilities are in a declining economic region, it may be difficult to find a buyer. Many times, these situations are the result of not having had a viable exit strategy in place earlier in the practice life cycle. These practices may in fact pass the point where other options exist, and liquidation is the only course available. There have been estimates that as many as 500 optometric offices across the country have closed their doors and ceased activity in each of the last several years; however, these estimates are suspect since statistics provided by contact lens manufacturers, for example, show that they add as many as 150 new accounts per month and close less than 10, some of which may be the result of practices merging. This would imply that at most 50 or 60 practices close per year.

Equipment that is not too outdated and in good working order may have some value. Likewise, any office equipment, such as computers or office furniture, may bring some return on the used market. Generally, this will be fairly minimal, so every attempt should be made to find a buyer even if it means accepting a low purchase price. In liquidation, there may be an opportunity to sell the patient records to another practice in the area. A local practitioner may be interested in purchasing the records as an alternative to a new competitor purchasing them.

Announcements must be made of the practice closure, and there are legal and Health Insurance Portability and Accountability Act (HIPAA) responsibilities with regard to the safeguarding and protection of patient records. If the records cannot be sold, arrangements must be made to make them available to patients or to transfer the records to the practice of their choosing. If they can be sold or transferred in some way to another practice, the purchase agreement may specify that the new practice will notify the patients, transferring that responsibility as well.

Implementation Time Line

While closing an office might seem to not require a time line, there will in fact be a number of steps needed to prepare for liquidating an office. A strategy for implementation should begin within 1 year prior to the practice closure. Hopefully, the process was begun much earlier to attempt other strategies, so that locking the door for the last time and walking away is a last resort.

STEPS TO PREPARING FOR A PRACTICE TRANSFER

1. **Assess practice readiness.** With sufficient advance planning, a number of steps can be taken to assure that the practice is ready for whichever exit strategy is elected. There needs to be an in-depth analysis of the practice as it exists currently, as well as an honest evaluation of personal goals and motives. One starting point might be the Practice Readiness for Change Self-Evaluation (Box 40-1).

BOX 40-1

Practice Readiness for Change Self Evaluation

OFFICE READINESS

1. Are you fully booked more than 2 weeks in advance?
2. Are 75% or more of your patients established patients?
3. Are there services you are not providing because of lack of time or interest?
4. Is there an opportunity to expand office hours to better serve and attract more patients?
5. Do you feel rushed to see all the patients, not spending the time and attention you might?
6. Have you stopped actively marketing your practice, or doing things like free screenings, talking to community groups, touching base each year with school nurses, etc.?

PERSONAL READINESS

7. Would you like more free time?
8. Are you ready for a slower pace, not be as rushed?
9. Are you planning to retire in the next 5 to 10 years?
10. Would you like more time to manage the business aspects of practice?
11. Are you willing to share some responsibility or give up some control?
12. Will you be okay with some of "your" patients being seen by an associate?

EASE OF TRANSITION

13. Is the physical space adequate to be able to add another doctor?
14. Is the staff efficient and large enough to be able to handle expanded workload?

If you answer yes to the majority of questions in the Office Readiness section (questions 1 to 6), your office is likely in need of an associate. The longer patients have to wait, the more likely some will choose to go elsewhere. As a practice becomes very busy seeing established patients, less time is available in the schedule, and the longer waiting time is less appealing for new patients. Established patients have experienced and know the value of your practice, but the new patient, who may have been referred by word of mouth or by an insurance plan list, will not be willing to wait as long to be seen. If this continues, it is hard to sustain practice growth because a certain number of patients will be lost due to moving, death, etc. each year. Being able to add new patients is essential to the life of the practice. Likewise, the practice must be actively marketing itself and seeking new patients, and this tends not to happen when the office is too busy or full with existing patients. If new services and technology are not being introduced because of lack of time, not only are patients not being fully served but also the practice growth potential will be slowed or eventually reversed.

Answers to the Personal Readiness portion (questions 7 to 12) reflect the mental and emotional aspects of adding an associate. Again, a majority of yes answers indicate a readiness to accept the change associated with adding another doctor.

A desire for more free time, more time to accomplish other things, or more time to manage your practice better are all good attributes when contemplating adding an associate. If on the other hand the majority of answers in this section are no, there may be problems if an associate is employed. Knowing that "something" should be done and that it makes business sense to do "something" is not enough. If the doctor is not ready to accept the sharing of duties and lack of total autonomy, bringing in another doctor is much less likely to be successful. Part of the planning process may need to be directed toward emphasizing the benefits and value of an associate, developing plans or goals for both in and outside the office, and in general attempting to arrive at a greater acceptance and willingness for change.

Questions 13 and 14 give some indication as to how easily the addition of another doctor might be implemented. If the office does not have the physical space or equipment to accommodate another doctor, more major changes will be needed before moving forward. If this is not done, then a different exit strategy may need to be adopted such as one of the outright sale options. If staffing is not adequate to allow increased volume, increased office hours, and all the other challenges of adding a new doctor, it is important to recognize this. Recognition of these issues may require some additional planning, training, or hiring.

2. Analysis of the practice. After the practice readiness has been considered, a careful analysis of the practice is needed. Evaluate the hours that the office is open and try to determine the effect of increasing them. If early morning or late evening hours are offered or expanded, they might appeal to more patients who do not want to miss work or desire after-school appointments. If the backlog of patients waiting to be seen is too long, some patients will not wait and expanded office hours might keep them in the practice, as well as increase the opportunity to see new patients. It is valuable to know the percentage of new patients being seen to be sure the practice is prepared for continued growth. Ideally, at least 30% of the patients in an established practice would be new patients. If this falls below 25%, the practice is more likely to see diminishing growth in future years. (Box 40-2 presents a listing of information that should be readily handy when discussing transition with a new doctor or having a formal appraisal.)

Tracking of the practice growth over a number of years is useful. The financial breakdowns for the office will help in recognizing changes in the rate of growth. It will also be useful in managing and controlling costs to possibly improve the net income.

3. **Analysis of the community served.** Population statistics and trends are needed to assess the need for increased eye care in the area. A declining population is a possible red flag to expanding a practice. The level of unemployment and the per capita income in the region and whether they are improving or worsening should be considered. Some assessment of the stability of the major employers in the area should be attempted, as well as consideration of the trends in managed care and vision coverage in the area.

BOX 40-2

Information that Should Be Readily Handy When Discussing Transition with a New Doctor or Having a Formal Appraisal

1. Last 3 years of Federal tax returns
2. Current year's Profit and Loss Statement
3. Balance Sheet
4. List of all major equipment, ophthalmic and business, along with date of purchase and cost
5. Number of complete examinations in each of the last 3 years
6. Ratio of new/former patients
7. Number of optometrist hours/week
8. List of contracts and insurance plans accepted
9. List of optometrists and ophthalmologists in practice area
10. Inventory (wholesale costs) of frames, contact lenses, sunglasses, etc.
11. Name, experience, hours worked, and wages for each staff member
12. Size of office and lease terms (is the lease assumable?)
13. Percentage of cash patients, and patients with Medicare, Medicaid, and other vision insurances
14. Age of leasehold improvements

4. **Estimate a timeline.** What is the expected timeline for implementing change? How many years until the owner anticipates significantly slowing down or fully retiring? If the goal is to find an associate who will become a partner and then result in the transfer of the practice, how many years are needed for the process to run the expected course? If retirement is within 2 years, action must be rapid. If planning has been proactive and done enough in advance, the changes should begin either when the practice has grown to require an added doctor or when the owner is in the 5- to 7-year range from retirement. This allows enough time to find a suitable candidate and in the event the unforeseen happens and the partnership fails, enough time to attempt the process again.
5. **Determine a practice value.** A detailed appraisal may not be needed, but some estimate of the practice value is useful. There are many consultants who can provide a practice appraisal. Chapter 8 details different methods and facts to consider in obtaining a practice value. Knowing the practice value helps in planning an exit strategy.
6. **Consider changes to maximize practice value.** Before beginning to implement any practice transition plan, it may be beneficial to attempt to increase the value of the practice. This is especially true if the exit strategy chosen is an outright sale. 1 to 2 years before the sale, take steps to increase net income. Be sure fees are in line with area practices and if not, they should be increased. If they are significantly low, raise them some amount each year. Increasing the days in the practice by limiting vacation or taking other steps to see more patients will result in increased income. Examine ways to decrease the cost of goods of the practice. Be sure the group leveraging power of buying groups and distributors is being used. Do not increase inventory and if possible, do not make any large purchases that are not going to result in immediate returns. If a practice's cost of goods, which have been 33%, can be trimmed to 31%, that 2% savings is added directly to net income. A practice with a higher net is generally going to be seen as more valuable.
7. **Compile practice financial data.** When a practice transfer is being considered, the purchasing doctor (or doctor accepting an associate position with the expectation of purchasing) will need to provide financial records from the practice to their advisors. A minimum of the past 3 years records are required, and often, records for the past 5 years are requested. To make the process easier and quicker, begin maintaining a file with the information that will be needed (see Box 40-2). Practice income, expenses, balance sheets, copies of bank statements, information about the numbers and types of examinations, and any breakdown of revenue sources will be useful. Copies of tax returns should be included to verify the net incomes listed for the practice. Keeping copies of all of these items as they occur and having them in a readily accessible place, will save a great deal of time and effort later.
8. **Seek an associate and/or a buyer.** Begin the process of seeking a party interested in joining and purchasing the practice. Since the goal of the process is to have a successful exit strategy, the desire to ultimately sell the practice must be clear from the outset. It is generally useful to at least have some discussion and understanding of how that process will proceed, lessening the chances of surprises or misunderstandings that might sink the successful transfer of the practice.

Candidates can be found on various employment listings, most notably the American Optometric Association (AOA) Career Center, state association listings, and schools and colleges of optometry placement services. Another excellent source of potential associates when doing more long-term planning are patients from the practice. Encouraging talented high school students to consider optometry as a career may lead to an optometry graduate who is familiar with your community and more inclined to return to the area. They also are more likely to stay with the practice, and they have a better idea from the outset if they will be happy in the community and practice setting.

Finding the proper candidate to add to the practice as an associate may in some cases be a prolonged process. When possible, it is important to take the time necessary to find a doctor who is a good fit for the practice. He or she must be compatible with the existing doctor, be an asset to the office with regard to the delivery of patient services, accepted by the staff, and ultimately be willing to continue the practice by assuming ownership.

9. **Assemble a support team.** To implement a successful exit strategy, a number of professional advisors will be needed. In addition to a practice appraisal, a practice broker may be helpful in negotiating the details of the practice transfer. An optometric business consultant might be used before or after the associate is added to help increase the value of the

practice by attracting more patients or through better management principles.

An attorney will be needed to review any contracts with the new associate and to prepare the purchase agreement. A certified public accountant (CPA) may be useful to structure the purchase agreement in ways to minimize tax implications. Finding professionals who have had experience with practice transfers will be highly beneficial. Attorneys and CPAs who are familiar with the special circumstances of optometric or medical practices will be more likely to provide better advice and with less time and cost involved than ones without such experience. Beginning to locate the members of this needed support team of advisors in advance will save considerable time and effort at the last minute.

DIFFERING PERCEPTIONS OF VALUE

The discussion presented now is most relevant in the situation in which the only obstacle between a younger optometrist taking over for an older one is in regard to a differing perception of value. Unfortunately, many optometrists fail to adequately plan for their income needs for retirement and have expectations with regard to practice value that are unrealistic. On the other hand, many younger optometrists have a perception that there are some really "good deals" out there. While it may not be the goal of either to try to take advantage of the other, all too often the buyer is unwilling to accept the appraiser's valuation or the seller is unwilling to forgo unrealized "potential" growth. In these situations, purchasing a practice on an "earn-out" may make sense for both seller and buyer. An earn-out is essentially a contingent sales price where buyer and seller agree on a minimum price to be paid, and additional payments are agreed to dependent on future earnings. Samuel J. LeFrak was quoted in *Barron's* magazine as saying, "I buy cash flow; I don't buy anticipation. If you want to sell me anticipation, I'll give you anticipation money. When I get it, you get it." This is the essence of an earn-out. It is a method of establishing a contingent sales price, based on performance. For example, if the seller feels the practice is worth $600,000 based on the fact that he or she has only been practicing 3 days a week and there is tremendous potential for additional income working 5 days a week; and the buyer feels the practice is only worth $400,000 based on the fact that there are no guarantees that the additional 2 days can be fully booked—a significant impasse may result. It may be that both buyer and seller will agree on a $400,000 baseselling price with additional payments to the seller of onethird the increase in gross revenue for each succeeding year for a period of 5 or 6 years. The result is that if the potential the seller claims exists actually materializes, both buyer and seller benefit, but only to the extent that the benefit is realized. Since fixed expenses are presumably covered by the existing gross revenue, approximately one-third of increased revenue would go to laboratory expenses (variable expenses) and twothirds would be added net revenue to be split between buyer and seller. If extremely successful, the seller may get his or her originally anticipated selling price or more. The earn-out can be negotiated as to what percent of growth is shared and by whom and its term with regard to how long such payments would be made. Buyer and seller may agree to adjust the percentage paid to the seller downward each year reflecting the fact that in the early years of the earn-out success is primarily the result of transferred potential, but in later years is primarily the result of the efforts, skill, and reputation of the buyer. Bottom line—an earn-out may save the deal!

PLANNING FOR RETIREMENT IS NOT JUST ABOUT MONEY

There are many aspects to retirement planning. Most commonly discussed are the financial aspects of retirement. Having enough money to live comfortably for the rest of your life is generally the foremost goal. The age at which retirement will be feasible, and the passing on of assets to family members and loved ones are also prime considerations when devising a financial roadmap to retirement (see Chapter 37). More often overlooked in the planning phase are the emotional and mental aspects of retirement. After a lifetime of following a rigorous schedule, the freedom and relative inactivity of retirement may present unexpected challenges. Planning for both the financial and emotional sides of retirement is needed, and aspects of the later will be discussed here.

PLANNING FOR THE MENTAL AND EMOTIONAL IMPACT OF RETIREMENT

Just as plans for the best practice transfer should be made well in advance of retirement, careful plans should also be made for life after retirement. Many persons are involved in very busy, day-to-day activities and long for more free time, when it suddenly becomes "all" free time they may have a difficult adjustment. There are a number of things that can be done to prepare for the mental and emotional changes that retirement will entail.

1. Transition gradually: The more gradual the transition, the easier the adjustment to a different schedule and pace of life. When the hours in the office can gradually be reduced, more outside interests and activities can be developed over a longer period of time.
2. Consider part-time employment: When retirement time arrives, many find that they enjoy practicing at least parttime, which might be seeing patients in the office or at nursing homes or senior centers, doing vision screenings, or providing care in various community free clinics. In fact, even when part-time work was not needed for income purposes, retirees who work part-time state higher degrees of satisfaction from their retirement. This parttime work might also include volunteer work done on a regular basis.
3. Identify activities to enjoy in retirement: Even before retirement arrives, a number of activities can be identified and developed that will provide much enjoyment for many years. Beginning these or at least identifying them before

retirement helps ease the transition. Such activities might include the following:

a. Charitable or volunteer work
b. Church or synagogue activities
c. Recreational activities
d. Other business interests
e. Expanding a current hobby (woodworking, painting, needlework, music, gardening, photography, birding, etc.)
f. Political involvement
g. Arts involvement

4. Continued learning: Both leading up to and in retirement, there are many opportunities for continued learning. Taking classes at a local university through a community organization or online can provide intellectual stimulation and skills and knowledge to expand one's areas of interests.
5. Identify or develop a close circle of friends: Having a group of friends to enjoy various activities with can be very important. They provide mutual stimulation and interaction, as well as motivation to remain active and outgoing. Having a number of people to share things with, such as going out to dinner, the theater, or movies or playing golf or cards, helps replace some of the continual social interaction that seeing patients provided. Becoming more active with a group of friends before retirement helps assure greater satisfaction with the "golden years."
6. Investigate travel opportunities: Instead of waiting for retirement to take any long-desired trips, easing into retirement might mean beginning more travel during the practice transition period. This may identify likes and dislikes with various travel options. It also preempts the possibility that travel in the future might be restricted by health or mobility problems.
7. Investigate retirement locations: For most, it is not a good idea to retire and then immediately uproot and move to a new location for retirement. Investigating and scouting out various locations is worthwhile when preparing for retirement. Once retirement begins, maintaining your current residence while spending some extended time in these possible relocation sites can determine if they are viable options for a full-scale move.

Being happy in retirement depends not only on financial security but also on being fulfilled and satisfied emotionally and intellectually as well. This satisfaction is important not only for personal happiness but also can affect the successful completion of the chosen exit strategy. Careful, timely planning for a smooth and successful practice transition can all be derailed if the senior partner begins to realize he or she may not be happy if practicing optometry ceases. If there is not an equally effective plan for how to spend the increased free time outside the office, one may ultimately refuse to execute the planned sale. This fear or lack of confidence in knowing what to do with oneself once active practice stops is a real concern, and careful planning of how to spend life after stopping work is essential to the final, successful implementation of the chosen exit strategy.

CONCLUSION

It is frequently advised that business plans should include well-designed "exit strategies" during the initial development of the plan. If that advice were strictly followed, this would have been an early chapter instead of the final one. It is safe to say, however, that most practices do not have a detailed exit strategy in place when they begin and there is a degree of symmetry to this being the final topic discussed. Even though this is the last chapter in this book and in the life of a practice, it is essential that this not be left until the last few years before retirement.

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