



Earth and Air Wellness, Inc.
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Strategy:	Seeks Acquisition	Average Gross Yearly Revenue (2017-20):	\$342,800+
Office Location:	Pleasant Hill, CA	Average Monthly Revenue / Expenses:	\$28,550+ / \$17,180
Website:	SellingAPractice.com/EAW	Asking Price:	\$195,500

Summary

Unique opportunity to own a lucrative, high-net, low-maintenance Chinese medicine practice in the gorgeous Northern California community of Pleasant Hill. Earth and Air Wellness, Inc. (EAW), currently the acupuncture practice of Laura Metzdorff-Rivera and associates, is located in the East Bay a straight shot on public transit from San Francisco. With an affluent and 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.

Imagine making close to \$350,000 per year working 2-3 days per week with up to a month off for vacation. Yours employees do most of the work, accounting for 80% of the clinic’s income. *A true passive income generator!*

And there’s no marketing necessary—the reputation of this practice keeps a steady flow of new patients streaming in. Low overhead, years of records, and consistent patient flow mean you’ll continue to keep your costs predictably low. Add more hours, hire an associate, and/or do some marketing 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, EAW offers you the chance to hit the ground running. Step into this rare, once-in-a-lifetime, turn-key opportunity to run the practice of your dreams in one of the most peaceful and prosperous areas in the country. Call or email us today, come by and spend some time with us, and be thriving in just a month or two.

The Setting

The community of Pleasant Hill has a population of about 35,000 and draws from much of the larger San Francisco Metropolitan Area—4.5 million people, most within reach of the office via the Bay Area Rapid Transit (BART) train system. Pleasant Hill’s small-town feel and proximity to Walnut Creek, Oakland, and the greater Bay Area has made it a popular place to live for many high-income earners. It has been ranked as one of the best places to live in the California by countless publications owing to its safe streets, top-ranked public schools, and exceptional quality of life. It is also adjacent to Rossmoor, one of the state’s largest “active adult” communities for adults 55 years and older.

The clinic is located in the center of downtown Pleasant Hill across the street from City Hall, with easy access to BART and two major highways. It consists of a spacious waiting and reception area, five treatment rooms, a central handwashing area, and a bathroom shared with other suites. It is 100% ADA-compliant, and parking is plentiful and free.

Patient Demographics

EAW 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 spans from 12-year-olds 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, with more women than men.

The clinic slowed down when faced with COVID restrictions, a 15-25% drop at times, but has been coming back strong. In December 2020, the practice logged 467 total appointments from 212 individual patients. A majority of patients have insurance that covers acupuncture, some of whom come through the local Veteran’s Administration.

Most patients are from communities within 25 miles of the office. Given the ten-year history of the practice, almost all patients are referred by word-of-mouth, while some come through the clinic’s online presence. Given the consistent flow of new patients in this affluent area, the clinic could easily be turned into a cash-only business. The current owner is happy to provide years of past calendars to prove consistent patient volume.

Modalities Utilized

The practitioners currently working in the practice have been trained in standard acupuncture and traditional Chinese medical techniques, as well as Richard Tan Balance Method and Master Tung points. They mostly treat with acupuncture, prescribing herbal medicine and supplements to only about 25% of patients.

Income and Expenses

The following income and expense summaries are derived from an average of income and adjusted* expenses from 2017-2020. Note that the current owner has office hours two days per week and takes up to four weeks off per year.

Income

Average gross yearly revenue (4 years): \$342,836 (\$28,569/mo)

Expenses

Average adjusted expenses: \$206,148 yearly (\$17,179/mo)

*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 \$136,688 per year (~\$11,390/month)

Pricing and Terms

\$195,500 OBO.

The price is based on a conservative professional valuation of just under \$220,000, with an average yearly gross of about \$340,000 for the past several years (including COVID in 2020). The owner's motivation to sell in a timely fashion has allowed her to generously factor in a significant discount off of the valued price for potential attrition and start-up costs on change of ownership. She expects the right person will retain her 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. The seller may also be willing to hold the loan for the right buyer.

Upon purchase, the new owner will receive all patient records and 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, claimed Yelp page, Jane App EHR, scheduling and payment processing software, Office Ally insurance clearinghouse account, MailChimp mass email program, and clinic-related financials.

Current W-2 employees include two practitioners who currently bring in most of the clinic's gross income. One has been with the practice for almost five years, works 30-40 hours per week, and brings in about 60% of the clinic's income. The other is in her third year, works two 8-hour days per week, and accounts for about 20% of the income. Both are aware of the impending sale and would be willing to stay on at the new owner's discretion.

The landlord is willing to transfer the lease and the current owner will facilitate interaction with the landlord in order to secure favorable lease terms.

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

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.

- *Work more hours.* The current owner is a busy mother who works in the clinic 2-3 days per week and only accounts for about 20% of the practice's income. There is plenty of room to work more hours in the clinic, which would obviously increase revenue.
- *Add additional practitioners.* 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.
- *Create additional space.* The office could be reorganized to accommodate more treatment space. Doing so would allow for higher volume of patient visits
- *Do some marketing.* The practice does very little marketing outside of its web presence. There is a database full 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 owner has been successful without putting too much effort into creating an ongoing online presence. Blogging, improving the website, paid online marketing and doing some email marketing from the Mailchimp mass email program all hold great potential to improve awareness of the clinic in order to generate more revenue.
- *Sell more supplements.* Only about 5% of the business's revenue comes from the sale of supplements. Giving a greater percentage of patients the option of supplements offers another opportunity for significantly increased revenue.

Take advantage of this exceptional opportunity to run your own high-profit, low-maintenance clinic. Call (516) 456-8698 or email Lmetzdorff@gmail.com today.