



FLAGEL HUBER FLAGEL

Certified Public Accountants | Business Advisors

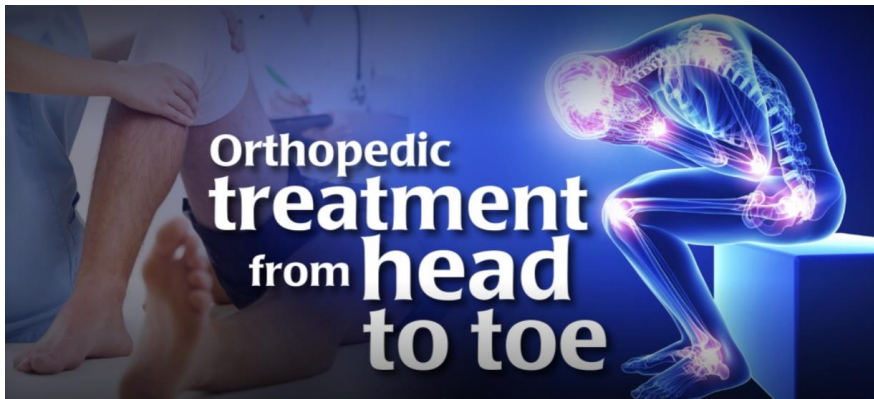
CASE STUDY: ORTHOPEDIC ASSOCIATES

Leading a Structural Change in Ownership

Flagel Huber Flagel (FHF) guided Orthopedic Associates (OA) in shifting their real estate financing approach to enable the future stability and growth of the practice.

HISTORY

Since their founding in 1985, OA has earned the trust of their patients by providing individualized, state-of-the-art and compassionate orthopedic care. From the beginning, this progressive and entrepreneurial group of doctors has focused on bringing the best quality care to their patients.



Through the years as OA added more doctors, they also invested in real estate to expand their office footprint. OA relied on Sally Chaytor, CFO to lead the increasingly complex financial aspects of these transactions. In turn, Sally relied on the accounting firm FHF. Says Chaytor, "In the beginning our work was relatively simple, but today we handle the accounting for 18 orthopedic surgeons (14 of which are shareholders) each with a business owner mindset, 13 mid-level providers, 11 offices, 6 real estate properties and more than 14 separate tax entities."

Even with the growing complexity, the OA goal from the beginning was for their doctor shareholders to buy into, not just the practice, but also its real estate investments. According to Chaytor, "We believe that this approach keeps everyone's interests aligned and keeps us all growing in the same direction." But as time passed the OA real estate portfolio grew significantly in value, and it was becoming more and more prohibitive for new doctors to buy in.



Situation at a Glance

- Founded in 1985 with a mission to provide every patient with individualized, state of the art and compassionate orthopedic care
- OA has worked with FHF the past 28 years on all of their accounting needs
- FHF and OA recently implemented a strategic shift to a more accessible ownership model for new doctors that ensures the future health of this progressive and entrepreneurial practice
- Today, Orthopedic Associates is a thriving 18-doctor practice



Some of the OA Orthopedic Surgeons

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CREATING LONG TERM FINANCIAL HEALTH

Knowing a new solution was needed to keep the OA goal in sight, Bruce Kreinbrink, FHF partner, worked proactively with Chaytor to bring forward a new financing approach that was sound, would enable the practice to achieve its vision for doctor shareholders, and worked to build a solid foundation for future transfers of ownership. According to Chaytor, "Bruce was instrumental in that work. The shift required a complete flip in our philosophy. Bruce took the doctors through step by step. He was able to show the shareholders why this new approach made sense for them and for the future of the practice."

Says Kreinbrink, "Compliance work is a central part of our service offerings, but I love assisting our clients with solving their internal dilemmas and working together to avert future problems with sound financial consulting."

Chaytor adds, "I'm so proud we were able to accomplish our goal, as all eligible doctors did buy in."



One of Orthopedic Associates 11 Locations



Interested in learning how Flagel Huber Flagel can help you with real estate investments?

Bruce Kreinbrink says, "We'd love to talk with you to ascertain the possibilities."

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