While the veterinary industry remains comparatively fragmented to other parts, the area has seen substantial consolidation over the last five years. The consolidation has been led by Mars, Inc., who are considered by many to be the lone strategic buyer in the industry. More private equity firms have begun to explore sales of their investments in veterinary practices, and new strategic buyers attempting to capture economies of scale could emerge. How can a veterinary practice owner continue to grow their practice, or, if the practice is sold, how can they ensure the best value for their practice?

Private Equity has been a persistent investor in the veterinary industry because of the attractive private pay revenue stream and the largely recession-proof nature of veterinary services. Over the past 5 years, the industry has seen two significant strategic acquisitions: the purchase of National Veterinary Associates for 13x EBITDA in mid-2014 until...
Currently, the expectation is that the private equity firms will remain active in the 6-8 years at which point the market is expected to have become more consolidated. This occur as investments reach the end of their timeline and begin to sell to establish players like Mars or new strategic buyer entrants.

A practice owner in this environment can find it stressful to grow their business as pressure that can come from corporate groups or feel anxious that they are possible price for the business they have worked so hard to build.

First, remember that what makes a veterinary practice successful has not changed in the current environment. Veterinary practice owners should continue to do what some cannot: practice better medicine and offer better and more personalized client services. To continue to grow and be attractive to clients and potential buyers, practice owners need to work on the corporate model and focus on the business side of revenue and improving their profit margins.

A few areas that practice owners can learn from the big corporations are:

**Marketing**

Corporations spend a lot of time marketing and it really matters. Spend time developing a marketing plan and thinking about strategic partners in the community.

**Team and Client Education**

Corporations do a great job and invest a lot of effort into making sure their team is well-trained. Practice owners should develop training manuals for their employees on a regular basis. Furthermore, corporations often have resources online to educate clients on major health issues.

**Talent Acquisition and Retention**

Big corporations have the advantage when it comes to providing benefits. Practice owners should educate themselves on benefit offerings and make sure the wellbeing of their associates and staff is a priority.

**Facility Investment**

Lastly, practice owners shouldn’t shy away from investing in the physical space of their practice. While corporations might be able to invest more money into their facilities, investments into the facilities of the practice can pay large dividends down the road.
In the climate of corporate competition, remember to focus on what made your veterinary practice unique in the first place. The independent veterinary practice will continue to survive in this corporate structure.

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