

Ask the Broker

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Q

What is the most important thing to consider when buying a dental practice?

Stuart "Stu" P, DDS

While I should write a book on this subject, my biggest

"Pet Peeve" in practice sales is that I hate to see young dentists getting so much misinformation on what to do in making this big decision. The most important aspect of buying a practice is the buying doctor's evaluation of their own skill sets and philosophies compared with the selling doctor's skill sets and philosophies.

Let me present a scenario to help you understand what I mean. Ten different buyers could hire the same consultant, lawyer, accountant and broker to evaluate a dental practice. They would all evaluate the same information and come to a conclusion as to the strengths, weaknesses and value of that practice. Essentially, all the buyers would get the same report. Now, I can assure you that if each one of those doctors had the opportunity to operate that practice, I could have ten totally different results. I could expect that two of the candidates would significantly increase the gross receipts of the practice, while two others might be on the verge of financial ruin. How can that be? The practice looks strong on paper and we have the best accountant and attorney to facilitate the transition. (Unfortunately the two doctors who did not do as well as expected are filing lawsuits against the seller for misrepresentation... but that is for a different article.)

The issue obviously is that only **YOU**, as the **buyer**, can evaluate the skill sets that differentiate you from the Seller. None of the professionals hired know what each dentist's abilities are. These include clinical, managerial, and patient communication skills that can make or break the success of ANY dentist. There is NEVER a perfect match. Only the dentists themselves can determine if their own skill sets will result in a net positive or negative effect on the particular practice in question.

Questions? E-mail wps@succeed.net

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