



# Ask the Broker

## For every ACTION there is an equal and opposite REACTION

This is Newton's third law of physics and is an appropriate law in dental transactions. Both buyers and sellers need to consider this law in their actions during a transition. Recently I was involved in a "perfect" transaction. It was a small practice with a female dentist who had practically raised her kids in the dental office - selling to a younger female dentist with younger children.

***The doctors were getting along splendidly and everyone was happy!***

Contracts went out and the buyer chose a well-known dental attorney who made a fair amount of changes to the documents, albeit most of them fairly minor, but a few that needed a little push back. In my lectures, I always advise the buyer to pick a known dental attorney as they understand the issues and can "cut to the chase" quickly. However, I also advise them to control their advisors and encourage them to "own" the changes suggested. (Hopefully keeping revisions to a minimum on critical matters only) Once the ACTION of "firing shots across the bow" begins, one should expect the shots to be returned. That definitely happened here, creating some sore feelings and added expense to the transaction. It was all eventually resolved nicely, but in my humble opinion, much of this might have been avoided with less "red ink" at the beginning. It can be a tough call sometimes as there are ALWAYS reasons to justify the changes. However, no matter which side may feel justified to begin the "volley", both sides should understand the costs involved and possible ramifications of over negotiating small issues that may never occur and may cost less to fix later than negotiate now.

***Once the sides start to "volley", issues that never were issues become new points of negotiation in an effort for each side to score points.***

Once you hear phrases like "it's the principle of the thing", or "what if" referring to a one-in-a-thousand event, it is time to pull back and assess the REAL magnitude of the issue in question. I have seen an accounts receivable issue that might have resulted in perhaps a \$1000 expense be argued by the attorneys for hours. (Do the math on two attorneys arguing for 3 hours each at \$300+ per hour!)

This process can start from either doctor or either attorney. Of course there are instances where the objections are absolutely justified, but the attitude that "it can't hurt to ask" is not necessarily true! There are many times in the process where one side feels they have made the concessions and it is due for the other side to make the next concession. Just understand both sides should pick your battles and **"KEEP THE BIG PICTURE IN VIEW AT ALL TIMES!"**

Questions? E-mail [wps@succeed.net](mailto:wps@succeed.net)



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