

Ask the Broker

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Q What can I do as a buyer to help me in my negotiations with a seller?

Stan K., DDS

First of all, it may sound like common sense, but the best thing a Buyer can do is to put your best foot forward with the Seller the moment you first meet. Forget that you are nervous about paying all that money for goodwill and old equipment. The most valuable assets you are buying are the patient base, patient-doctor relationships, staff relationships and office location.

Even if, in your opinion, the practice is grossly overpriced, your job is to impress the Seller that you are going to perform amicably during the transition. If you convince the Seller that you will preserve the patient and staff relationships the Seller will practically want to give you the practice for free!!! All kidding aside, the more the Seller is impressed with you, the easier negotiations will proceed.

Most Sellers are very emotional about their practices and perceive the practice as if it was their infant child. If you start attacking the price or even something as simple as old equipment that needs repair, they view it as an attack on a loved one.

You should take note of all the concerns you have with the practice that need to be addressed. **However, rather than risk offending the seller, address those concerns with the Broker at a later date.**

There are many issues that will arise during the negotiation and transition that will be more likely to go in your favor if you begin the relationship on a positive note. Even though you might be the one bearing all the stress and future risk, you need to go into the first meeting as though you are applying for a job that has many more qualified candidates applying for that position.

Rework issues may be a concern for some Sellers, but mature Buyers know that those issues, if handled properly, can build trust in the existing patient base in the future.

We will address this issue separately in our next column.