

Ask the Broker

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Why do I need a broker?

Christine L., DDS

You've worked a lifetime building your dental practice.

Your dental practice is one of your most valuable assets and it deserves the personal attention of experts.

Most of us will not consider selling our houses without a broker, and as a licensed real-estate broker in California, I honestly feel that it is easier to sell a house than a dental practice. A house is an inanimate object that can be easily compared to the other houses in the neighborhood.

A practice has multiple aspects which makes it more difficult. To make a good decision, you should consider: tax ramifications which depends on what type of entity your practice is; how the purchase price is allocated; the type of dentistry that is performed to achieve the value of the practice price; what premium or discount to apply based on the quality and age of equipment and leaseholds; the location of your practice; how to deal with retreatment issues, etc.

A broker should have an inventory of buyers interested in a particular area and theoretically, the broker with the most exposure should have access to the most possible buyers. Most brokers already know of doctors/buyers that are interested in a particular area. This should help get the best price and hopefully also the best fit for the practice. Finding the right buyer will significantly lessen the chance of legal issues after the sale. In our office, I would estimate we might screen five candidates before a particular buyer meets the seller.

Even if you have a current associate or a dentist already in mind, I would still advise you to hire a broker. We generally will decrease our commission in this situation. This keeps the buyer honest in the negotiations and ensures their performance. Every year I end up listing several practices where the doctor was strung out for months or years waiting for the associate who expressed their desire to buy the practice but never did.

All practices need to be appraised or analyzed for any lender. We provide a rough draft of the contract of sale and navigate the arrangements between the attorneys and accountants. Most of our time and efforts occur *AFTER* we have designated a buyer! There is a reason we say we "practice" dentistry, and there is a good reason to hire an experienced broker! In short, by hiring a broker allows you to do what you do best....caring for patients!!

Questions? E-mail wps@succeed.net

Timothy G. Giroux, DDS



is the Owner & Broker at Western Practice Sales and member of the nationally recognized dental organization, ADS Transitions.

A graduate of Creighton University School of Dentistry (1983), he and his wife, Mona Chang, DDS (LLUSD 1984) were in private practice together for 15 years in Scottsdale, AZ, before establishing their home in Northern California.

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