



Ask the Broker

Why isn't there an MLS type service for dental practices like there is for home sales? It seems like I need to contact every broker to find all the practices that are for sale.

Believe me, I felt the same way when I was a young dentist. I even thought I might be able to change that when I started brokering practices. However, now that I have been doing practice transitions for 15 years, I understand why the system will probably not change. It is a specialized niche market and too small to be able to duplicate what can be done in large real estate markets. Without boring you with a detailed explanation of the intricacies of the dental brokerage business, let's just say that there is a lot more time and expense behind the scenes to bring a practice to the market and feel confident that the practice is fully exposed to all possible buyers.

So what does this mean for buyers? Since there is no "MLS" system in place for dental practices, buyers need to contact every active dental practice broker in their local area. Having no "MLS" system in place is also part of the reason that the brokers are routinely agents of the seller only, as the seller chooses the broker that is responsible to do the "heaving lifting" of obtaining all the necessary reports and documents to evaluate the practice. While a good broker may spend the majority of their time in a transition guiding buyers and facilitating steps that buyers need to accomplish, **brokers are almost always the agent of the seller.** Therefore, buyers need to understand that they will eventually need to lean on their own accountant, attorney or practice consultant to help guide them through the process.

In addition, Sellers need to understand that it IS important to choose wisely when they hire a broker. There may be a big difference between brokers when it comes to experience and their credentials. Just as in dentistry, one usually gets what they pay for. An experienced broker is much like an experienced dentist. We don't really know when we start a process whether it will go smoothly or have a complication or two along the way. The economic and legal landscape is always changing and a broker with experience should be able to navigate those changes more effectively. It is not as easy as one might think to change brokers once the practice has been exposed to the market, so it is normally not a good idea to try the discounted route first, thinking you can simply change if it doesn't work out. It also just makes sense that more exposure should translate into more buyers, which could translate into either a better price, a better fit for the practice, or both!

Questions? E-mail wps@succeed.net



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