



Ask the Broker

This should be common sense, BUT....

Imagine if you were selling your home. If you were selling your home and had several interest parties that all saw each other at the open house, it should be common sense that if you received several offers, you would probably choose the candidate that presented the least amount of problems and/or made the highest offer. Makes sense, right? The same theory applies to the sale of a dental practice.

Ok, now let's take it a little further and imagine that you received several offers on your dental practice. You accept an offer and think you made the best choice, but during the normal due diligence period when the paper work is being signed and inspections are underway, this particular buyer makes an issue of every nit-picky item they can find. They want all kinds of financial concessions for these items and even have penalties for future, unforeseen problems. It is common sense that any seller would go to the next buyer if they believed the next buyer would be more cooperative. It is unfortunate that the original buyer, whose offer was originally accepted, has spent time and money revising the contracts to their advantage and has spent time and money on the inspections. However, they have no one to blame but themselves if they "killed the deal" with their demands.

This really all comes down to Risk Management.

This is *especially* true in a dental practice. Goodwill transfer is probably the most important aspect of a successful dental transition. Is it worth the risk of alienating this buyer because of the nit-picky items that are unlikely to happen? In some cases, it would even be less expensive to absorb the cost by fixing the issue yourself as compared to spending \$350 per hour to have your attorney discuss the issue with the other attorney.

Of course there might be larger, deal-breaking items on either side of the equation, but it is up to both of you, buyer and seller, to make sure you understand what the risks are and the likelihood of the issue in question. I can't tell you how many times I hear, "but I hired my consultants and have to go with what they tell me". There is some truth to that, but in actuality, you are intelligent enough to have earned your dental degree. I am guessing that the subjects we learned in dental school are more complex than any of the contractual issues we have in a practice transition.

Advice from your consultant or attorney is vital. However, you need weigh the risks that are presented to you by your consultant or attorney and decide *for yourself* how you wish to proceed. As a buyer, this also includes being aware that even if you prevailed in the original scenario by completing the purchase and winning all the battles you created in the contract, you could still lose the war if the goodwill is contaminated because of all the battles waged.

Sometimes "Risk Management" means you need to put yourself in the other person's shoes for a better perspective.

Questions? E-mail wps@succeed.net



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