

The Dental Transition

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Happy New Year!

Should I Employ A Professional To Assist Me In My Practice Sale?

Naturally, any response we offer to this issue could be construed as partial. The only real benefit we have seen a doctor gain by undertaking the sale of their practice on their own is the avoidance of a professional's fee. On the other hand, with the belief that they will save money by selling their practice without professional guidance, the doctor must also make certain assumptions and assume specific risks.

They must first be confident that they can accurately determine and objectively substantiate a value for their practice, a value that is very near market value or what a professional appraiser would place on it. Next, they must assume they can get a purchaser to believe their determination of that value is objective, unbiased, and fair. Then they assume they will be able to establish the necessary banking connections to finance the purchaser's acquisition, or else they assume they will be able to self-finance the sale in a way that mitigates their risk yet is fair to the buyer. They must also possess the knowledge, ability, and expertise to work through the complex legal, financial, and tax issues surrounding the sale. A poorly structured

transaction may cost far more in taxes than one would have paid to a consultant.

If the dentist uses an attorney or accountant to assist them, they must presume they know something about dental practice transitions and that they will help rather than hinder

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the process. Moreover, the doctor risks spending hundreds, even thousands of dollars in legal and accounting fees without completing the transition. Finally, they will surely spend many, many hours putting all the pieces of the puzzle together, learning step by step as they go.

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PRACTICE SALES + APPRAISALS + TRANSITION CONSULTING + ASSOCIATE PLACEMENT



HUDSON TRANSITION PARTNERS INC
Transitions are personal ... so are we!

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Of course, it may be possible for a dentist to facilitate the sale of their own practice with great success; however, should you decide not to use a qualified, experienced transition consulting firm to assist you, then at least be aware of the risks you take by doing it on your own. These risks include, but are not limited to:

1. The risk of wasting countless hours with a buyer candidate who thinks they can wait you out for a lower price.
2. The risk of not being able to agree on the price or terms of the sale with the purchaser because neither of you can speak objectively or with authority to the issues.
3. The risk of being caught in adversarial negotiations due to an unreasonable purchaser or an overzealous advisor for either party.

When all is said and done, the few thousand dollars saved by doing it alone may or may not offset the associated risks.

4. The risk of locating the perfect buyer, only to later lose them because they are offended by something your attorney has said, requested, or by the manner in which negotiations were undertaken.
5. The risk of not realizing the full fair market value of your practice and selling it for less than it is worth.

6. The risk of selling the practice above market value and bankrupting the buyer by effectively stripping their ability to meet cash flow demands due to a stifling debt service.

7. The risk of becoming weary of the process and negotiating away large sums of money just to get it over with.

8. The risk that the purchaser will be unable to secure the requisite financing.

9. The risk of drafting or having your attorney draft documents that do not properly address key issues, allow for certain provisions, and clearly define the essential obligations of both parties.

10. The risk of leaving your practice in the hands of a successor who fails to manage the practice properly and alienates staff and patients.

11. The risk of not properly securing your position as a lender should you choose to self-finance a portion or all of the purchase price.

12. The risk that the anticipated sale will not happen during your lifetime or that your unforeseen, early death will leave your spouse/partner with the unpleasant responsibility of selling your practice.

All of the above risks are taken from true accounts.

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HAPPY NEW YEAR!

From the Hudsons & our entire team
at Hudson Transition Partners!

We look forward to helping you achieve your
Practice Transition goals in 2023 and beyond!
Contact us and let us know how we can help!



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What Our Clients Have To Say About Us Matters

"Sean possesses an even mixture of personal and business skills. He is straightforward, personable, and professional, and possesses in-depth knowledge within multiple sectors of the dental profession as it relates to brokering. He was very approachable and was always available to address any questions and concerns I had." – Cheryl Reygers, DDS

"Hudson Transition Partners could not have been more helpful when I was selling my Dental Practice. Their excellent professional practice evaluation was extremely detailed and invaluable when presenting my practice to potential buyers." – Timothy Holloway, DMD

"I worked with Hudson Transition Partners when I was looking to relocate and purchase my first dental practice. From the initial phone call to the closing, they were there for me every step of the way. Their guidance and referrals to other professional sources were invaluable." – Matthew Whipple, DDS

**Contact us TODAY to schedule
a free consultation!**

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