

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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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.

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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.

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



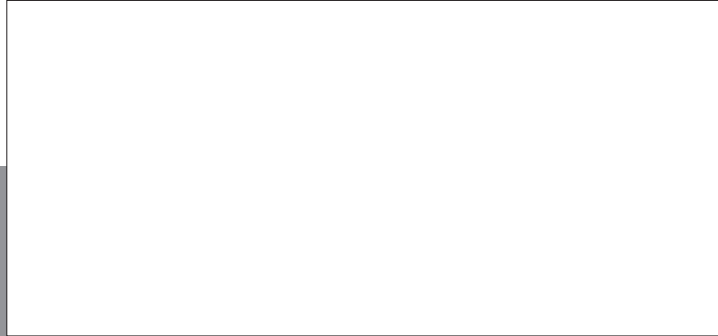
HAPPY NEW YEAR!

From the entire team at Willis & Associates!

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!



P.O. Box 1179 • Pascagoula, MS 39568



ARTICLES INSIDE:

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What Our Clients Have To Say About Us Matters

“Our practice sale went very smoothly and was a success for us and the Buyers. We couldn’t have done it without the experienced help and determined guidance from Jay and Willis & Associates. This is definitely the best thing that could have ever happened to me! Thanks again.”

- Dr. Charles “Kip” Ezelle Jackson

“With a successful transition in ownership our practices will continue to provide excellent care to this region for generations to come. This has been a true blessing to me and of course it all started with Jay Willis of Willis & Associates. Jay’s high character and wonderful people skills brought calmness to the entire process. What a blessing to his clients, family, friends, and now the citizens of Pascagoula as their Mayor! I’ll never forget what he did for me and highly recommend Jay to anyone looking for help with a practice transition.” - Dr. Glenn Taylor Vicksburg & Natchez

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

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