



Shhhhh, I'm selling my dental practice

Bill Robinson, CEO & President, ADA Practice Transitions

“We have all heard anecdotes about transitions that failed because staff or patients left, or patients were poached. But a lack of confidentiality didn't torpedo those transitions. Rather, a lack of transparency may have been the culprit.”

There is a widely held belief in the dental industry that confidentiality is essential when a dentist decides to sell their practice. This idea is heavily promoted by dental brokers and has been embraced by many dentists. In fact, some dentists report that they had little to no contact with the buyer of their practice until they closed the transaction.

The logic goes that there are several things that will happen as soon as anyone knows your practice is for sale:

1. All of your patients will leave
2. Your staff will leave to work someplace else
3. Your competitors will actively poach your patients

These are all legitimate concerns. However, if the community knows that a dentist is considering selling their practice, there can be benefits to that transparency. Let's examine the concerns one at a time.

Will all your patients really leave?

Some might, but those are likely patients who were considering leaving for other reasons. Research suggests that insurance acceptance and convenience (location and hours) are the most common reasons that patients switch practices.

The majority of dentists considering selling their practice are planning to retire. Patients know that a dentist in their sixties is going to retire someday. Is it better for patients to find out through a postcard after you are already gone – or worse, to call for an appointment and learn you are no longer working?

In fact, being upfront with

patients may prompt them to finish out a treatment plan before you leave because they trust you to do the necessary work.

Will your staff leave when you announce you want to sell?

Most dental practice buyers do not come to the purchase with their own staff. Most hope to find a good fit with existing staff to maintain the practice's momentum. Is that more likely to happen if the staff has been informed, or even included, in the process of selling the practice?

The real risk is for the buyer who walks into a practice where the staff was just recently told they would have a new boss. Which practice do you think is more likely to maintain momentum? Buyers pay attention to these issues.

A practice with an enthusiastic team who cares about the practice's success is more attractive than one where the staff has just been blindsided with uncertainty.

Will competing dentists actively poach your patients?

Perhaps. Many dentists are more focused on providing care than strategically targeting practices for sale. In fact, in rural areas or smaller towns, we encounter dentists who desperately want competing practices to stay open to provide adequate access to care in their communities.

It seems more likely that making colleagues aware of your intent to sell will bring in more potential buyers. The dental community is a highly and close-networked group. Making the information available opens up so

many more channels to bring potential buyers to you.

So who benefits from keeping your plans secret?

The primary beneficiary of keeping your practice sale “secret” is the broker. Brokers sell the exclusivity of their networks and channels to find you a buyer – and confidentiality helps the broker remain in control. By controlling the information flow, brokers can expose your practice only to buyers in their best interest – not necessarily yours.

A different approach: try transparency

What if confidentiality is not as central to this process as you have been told?

We have all heard anecdotes about transitions that failed because staff or patients left, or patients were poached. But a lack of confidentiality didn't torpedo those transitions. Rather, a lack of transparency may have been the culprit.

At ADA Practice Transitions, we believe the best transitions happen with as much transparency as practical. Transparency should begin long before the transaction itself and include patients, the dental team and even dental colleagues.

When patients know their dentist is thinking about selling their practice, they often feel respected and honored to be informed by this professional they have come to trust over many years. They are more likely to express their gratitude and genuinely wish their dentist the best – particularly if the dentist assures them they will be in good hands.

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CASE STUDY Q&A



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Background:

A 59-year-old female was referred to an oral surgery clinic for the diagnosis and treatment of a pericoronal radiolucency of an impacted left mandibular third molar (figure #1). There was no evidence of cortical bone expansion and the lesion was asymptomatic.

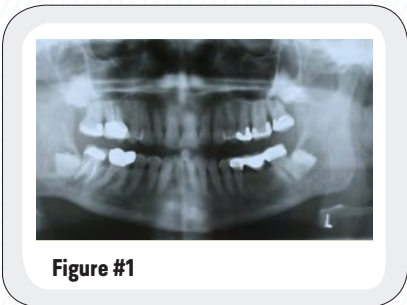


Figure #1

Questions:

#1 What would you consider in your differential diagnosis?

- A. Ameloblastoma
- B. Odontogenic Keratocyst
- C. Dentigerous cyst
- D. Metastatic tumor
- E. All of the above

#2 What would you do to make a definitive diagnosis?

- A. Extract the tooth and excisional biopsy
- B. Incisional biopsy
- C. Do nothing and watch since it is asymptomatic
- D. Marsupialize the lesion, then excisional biopsy
- E. Radiation therapy then excisional biopsy

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Staff have the opportunity to help make the practice attractive to potential buyers and maintain what they love about their workplace. In fact, staff may welcome the opportunity to help assess potential candidates for “fit.” If they leave at the first sign of a transition, there are likely deeper issues involved.

Finally, nearby dentists have the most to gain by opportunistically taking patients away. But if it was that easy, why haven’t you done so yourself? Dentists overwhelmingly report that most of their patients come through word of mouth. Their existing patients are their most effective marketing. Will that really increase at surrounding practices because you told your community you are selling your practice?

There are certainly a number of competent dental practice brokers in the market, but if your conversation with them begins with a stack of confidentiality agreements, you should question who benefits most from that secrecy. Think about it this way: If you were selling your house, would you keep it a secret from everyone except your realtor? Of course not. When it is time for you to sell, make sure the most important people know.

In Memoriam

The Wisconsin Dental Association extends its condolences to the families and friends of the following dentists who have passed away:

Dr. Gordon Lofgren
McFarland
Oct. 17, 2019
Member for 58 years

Dr. Earl Schram
Sister Bay
May 9, 2019
Member for 60 years

Please help us keep our information current. If you are aware of a colleague who has passed away, please contact Haley Rykowski at hrykowski@wda.org or 414-755-4114.

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