



Practice Transitions Made Perfect™

Newsletter Article Reprint

Beware the Out of State Broker

May 2005

We have recently been informed that some of our Florida dentists have discussed their practice transition with an out of state consultant, in particular an Arizona consultant, Sam Reader. The consultant states that he is selling businesses and not selling real estate, and therefore does not have the responsibility to obtain a Florida real estate license when appraising and brokering the sale of a dental practice. He charges \$950.00 to value a practice and then sends back a report on his findings. So with his evaluation, what are you to do next? Is there actually value in his services? Is he going to be your best representative in transitioning your practice?

In Florida, the sale of businesses and real estate is governed by the Florida Real Estate Commission (FREC). To be compensated on a commission basis, the consultant or broker must have a valid real estate license in Florida. Why is this important? Well consider the dentist practicing out of his or her garage in your area. Does that hurt your practice? Probably not. However, your license to practice dentistry comes with a myriad of responsibilities. The illegally practicing dentist can very possibly do a clinically acceptable service for his or her patient. Since they don't have the burden of continuing education, staff salaries, license fees, insurance, and state oversight, they can probably offer their services at a highly reduced fee. If it's that easy, why do any of us need licenses?

Of course, having a license to practice any profession does not imply equality of expertise. There are real differences in how well each of us does our job.

For practice valuation and transition planning, just as in real estate, the local market drives the value of real estate and your business. The price that buyers are willing to pay for practices very much depends on location. Even though Professional Transitions, Inc. is a licensed real estate brokerage firm and we regularly evaluate real estate and value practices in Florida, we really don't know the specific local market in some other state. How would a broker/consultant in another state, who does not regularly represent practices in Florida, never visits your practice, never actually meets you as a seller, or never actually meets a prospective purchaser, have any idea what the local market is in Florida and what is in your best interest so to list and sell your practice?

It is our experience that the decision to sell your practice has very definitive ramifications to your future. Being available to assist you and your purchaser during and after the sale should be strong considerations in your choice of representation. Identifying a prospective buyer and qualifying that buyer for your practice is only the beginning of the transition process. Professional Transitions, Inc. has been committed to serving the professional in transition for over 35 years. We have strategically located offices in Florida to personally assist you in your professional transition.

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