

## Watson, Brown & Associates: The Clear Advantage

By Tina Cauller

### ***Don't Try This at Home!***

When is the last time you had a patient perform their own third molar extraction? If your expertise wasn't important, a patient could just access an online do-it-yourself guide to remove those troublesome third molars. It might require some resourceful substitutions for anesthesia and instruments, but at least it would save them time and money, right? *No, of course not.* In truth, your training, experience and skill make all the difference in the world, and only a professional should attempt to provide dental care. Whether a young dentist is just starting out, an established dentist is considering taking an associate into the practice, or a dentist is looking to sell his practice, a successful outcome depends on expert guidance. Each type transition is accompanied by a unique set of expectations, opportunities and potential pitfalls. Transactions involving your professional livelihood and one of your most valued assets are best navigated with the help of an experienced dental practice specialist.

### ***Failing to Plan is Planning for Failure***

Simply put, you cannot structure a plan to get where you want to be without knowing exactly where you are. According to Terry D. Watson, D.D.S., of Watson, Brown & Associates, Inc., it is critically important to thoroughly analyze every detail of a practice transition before initiating any action. "Pre-transition planning gives you the knowledge you need to make an informed decision," he explains. "Analyzing your personal and practice financial condition will help create a clear picture of where you are today."

Like the fable of the blind men trying in vain to identify an elephant, each able to sense only a small part of the animal, looking at just part of a practice can give a misleading picture. Dr. Watson emphasizes that this analysis is not just a matter of examining the financial records of the practice. "A practice's true value is composed of many factors, including but not limited to the location, equipment, staff, and patient base," he notes. "Only when every facet of the practice is evaluated can you determine its fair market value."

In-depth analysis of the practice and your personal needs is the best method for determining whether you are well-positioned for a transition. Pre-transition planning and analysis may identify areas in the practice requiring needed improvement and allow for the development and implementation of strategies to enhance the value of the practice. Conducting such an evaluation also helps determine a more favorable timeline for the transition.

### ***The Clear Advantage***

In June 2005, tax attorney and accountant Frank J. Brown, J.D., LL.M. (taxation) teamed with Dr. Watson who founded the dental brokerage and transition firm in 1992. Watson, Brown & Associates represents a rare combination of resources — experienced practice transition specialists possessing tax, accounting and legal expertise combined with Dr. Watson's 23 years as a highly successful dentist in private practice. "We believe that our combined experience across multiple disciplines offers our clients a depth of expertise that is unique and affords them a clear advantage," Brown points out. "Every transaction will involve tax issues. Properly structuring a transition to minimize tax consequences can save thousands of dollars." Brown continually monitors changes in the dynamic legal environment and tax law, an essential consideration in any practice transition, in which errors and oversights can be costly.

The expertise of a tax attorney/accountant and the insight of an experienced dentist are invaluable resources for doctors planning their transition. Beyond negotiating the complexities of legal contracts and tax planning issues, there is an unexpected side to transitions that often goes overlooked. As Dr. Watson explains, “I know from personal experience that the transition of a practice is charged with a great deal of emotion. Typically, the seller has invested years of hard work in a practice which has defined his or her identity, and it isn’t always easy to make the change. A young doctor purchasing a practice will be introduced to many considerations not taught in dental school and will be taking on more debt than they have ever experienced with a great deal of anxiety of how the transition will work out. For both parties, making sound decisions in an emotionally charged atmosphere can be a challenge. Brown said, “We can help provide a stable platform and reduce the risks in the practice transition by ensuring that both parties are fully prepared and informed.”

### ***Facilitating change***

“Rushing into a professional arrangement without being fully informed or having the details carefully delineated in a written agreement prior to proceeding can be a dangerous mistake”, Dr. Watson warns. “In every practice transition both parties should be in agreement to the business points covered in the transaction,” Dr. Watson notes.

This is an especially thorny issue when the parties are friends or family, which occurs frequently. “Dentists sometimes make the mistake of thinking that written agreements are only for parties who do not have an established, trusting relationship, and that the same rules don’t apply to family or friends,” Dr. Watson notes. “Unfortunately, there have been tragic cases of failed transitions that have ruined long standing relationship or divided families.” Watson, Brown & Associates has a solution for parties that are contemplating such a transition, known as a *facilitation*. A facilitation, unlike a brokerage sale, provides only the services required to help the parties achieve a well defined plan with the appropriate documentation and steps completed to have a successful transition. The facilitation fee reflects a charge only for the services needed.

A facilitation can also be used when a dentist comes to Watson, Brown & Associates with a prospective purchaser, seeking help carrying out the transaction. For dentists planning to work together, a personal needs analysis and personality profile can help ensure the candidates are a good match by defining both parties’ expectations, philosophy, and leadership styles. As an intermediary, Watson, Brown & Associates helps facilitate the sale or purchase of a practice by balancing considerations of both the purchaser and seller. “Our goal is to negotiate a transition that assures that the seller is fairly compensated for his practice and that the purchaser has a good opportunity for success and financial reward in his new practice,” notes Brown.

A purchaser and seller are not the only parties affected by a transition, nor are they the sole influences on its ultimate success. During the transition, Watson, Brown & Associates involves the staff to address any questions they have about the change and ease concerns about issues that could affect the success of the transition, their positions in the practice, or the impact on patient retention. They provide follow-up after the transition to track results and make sure things are progressing as expected. If areas for possible improvement are identified, Watson, Brown & Associates will provide direction to optimize the practice’s productivity and profitability.

In other instances, a dentist may be seeking to sell his or her practice, but needs a practice broker to help arrange for a qualified purchaser. Watson, Brown & Associates can provide this complete package of services by finding and evaluating a prospective purchaser and guiding the parties throughout the entire transition to a successful closing.

### ***24/7 Marketing of Your Practice***

Watson, Brown & Associates is a member of American Dental Sales, a national organization of the most recognized and regarded dental practice transition specialists in North America. Each month, every practice listed for sale in the United States by American Dental Sales members is featured in Dental Economics. These same professionals are the selected authors of the monthly Practice Transition articles in Dental Economics. This nationwide network of professionals works together to identify purchasers who are relocating and seeking the services of competent and qualified advisors. American Dental Sales also hosts a website listing all the practices they have for sale in the nation.

Watson, Brown & Associates provides national exposure for your practice sale, and they are active in each dental community in the state. You will find them in each of the Dental Journals in the state and on the associations' respective websites. Beyond the state associations, they are intimately involved with the professors and students at the several dental schools in the state. Dr. Watson has served as the past President of the Dallas County Dental Society, on the Board of Directors of the Texas Dental Association, as a Board member of the ADA Financial Services Company, and in various other distinguished positions in the industry.

Watson, Brown & Associates hosts its own website at [www.wb-associates.com](http://www.wb-associates.com) with one of the most extensive informative sites in the industry. "Such a wealth of resources effectively markets your practice 24/7," notes Brown. "However, the best marketing tool Watson, Brown & Associates offers to clients is their reputation, expertise, and relationship networking in the industry. Our strength in the market comes from the internal marketing of our satisfied clients telling other dentists of their successful transitions using Watson, Brown & Associates."

### ***Contingency Planning Program***

In addition to practice brokerage, Watson, Brown & Associates also helps clients with contingency planning for an unexpected death or disability. Pre-planning for an unexpected death or disability is a preventative measure to ensure that, in such an event, all facets of the sale of your practice will be handled expediently and efficiently to preserve the practice and maintain the practice value. This specific, step-by-step plan protects your family members from shouldering a difficult burden during a highly emotional time and ensures that such matters are being handled competently and according to your wishes.

### ***Allies in Your Success***

You don't have to manage the complexities of transition planning alone. There are clearly many considerations involved in total preparedness. However, the single most important step may be to select a team of professional planners known for integrity who are also market leaders with a proven track record in successful dental practice transitions. By focusing on service, integrity, and advocacy, Watson, Brown & Associates offers a strong assurance that your transition needs will be handled competently, equitably, and with your best interest as a central priority. With their experienced guidance, you can begin charting the right course for your future. For more information, call Watson, Brown & Associates at (972) 956-8075 or go to the website at [www.wb-associates.com](http://www.wb-associates.com).