

Keep your dental practice purchase on track

A seller's willingness to help with financing does not remove the need for clear terms. Reopening settled issues and working to different timetables can undo a promising purchase.



THE TAKEAWAY

Keep a clear record of agreed terms, discuss changes openly and coordinate the route to closing. Trust is easier to preserve than to rebuild.

The seller helped bridge the financing gap

Dr. Reed wanted to purchase Dr. Hudson's dental practice and real estate. Financing was challenging, and the seller offered to carry part of the real-estate price. The proposed arrangement also held back part of the practice price over two years in connection with the transition.

Those accommodations created a possible path forward. They also made it especially important for both parties to understand when payments would be made and what conditions, if any, would apply.

A previously settled condition reappeared

The parties had agreed to remove growth conditions from the holdback payout. A later letter of intent reintroduced a requirement for 20% annual practice growth. From the seller's perspective, an issue already resolved had become uncertain again.

The problem was not that a buyer could never propose a performance condition. It was the unacknowledged change to the understanding the seller believed had been reached. If new information changes your position, explain the proposed revision directly rather than allowing it to appear as a surprise in the next draft.

The communication plan was not agreed

The buyer also wanted to send letters to patients and referring dentists six weeks before closing. The seller had not agreed to that timing. For a confidential practice sale, early announcements can create questions before the parties are ready to answer them.

Agree on the audience, message, sender and timing of transition communications. Consider both the needs of patient care and the possibility that the transaction might be delayed. A buyer's preferred schedule should not be treated as a settled plan until the parties have coordinated it.

The parties stopped working through the same process

The seller moved toward a draft purchase agreement, while the buyer insisted on completing the letter of intent first and declined to review the agreement. The disagreement over sequencing became another obstacle, and the transaction did not proceed.

There is no need to treat one sequence as universally right. The useful question is whether everyone understands the outstanding issues, the next document and who is responsible for moving it forward. The effect of an LOI depends on its wording; calling every LOI unenforceable would be misleading.

A practical checklist for keeping momentum

Before the next draft or meeting, make the open issues visible. A short shared decision list can prevent both genuine misunderstandings and surprises.

- Record agreed economic terms and distinguish them from proposals still under discussion.
- Identify financing requirements, deadlines and responsibility for each item.
- Define the amount, timing and conditions of any seller financing or holdback.
- Highlight proposed changes and explain why they are being requested.
- Agree on the document sequence and patient or referral communications.
- Keep discussions professional, including when you cannot accept a term.

Make it possible for both sides to keep saying yes

A workable purchase requires more than an attractive practice. Both parties need confidence that discussions are producing a consistent, understandable agreement.

Raise questions early and negotiate firmly where necessary. At the same time, recognize the work already done and the effect of changing assumptions. A clear process gives a promising transaction a better chance of reaching closing.

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