

Keeping your best interests at heart

Sales agents might offer to sell your dental practice for free, but is this a good idea, asks **Lis Hughes**

Lis Hughes

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A dental practice is a prized asset. And, quite rightly, you will want to ensure you are getting the very best, unbiased advice possible when the time comes to sell.

The problem is that this is incompatible with selling your practice for free. When you sell for free, someone must pay the sales agent, and if you're not, then the buyer will be. So, if the buyer is paying the fee, is the sales agent solely acting with your best interests at heart?

When the buyer is paying the sales agent, there is a conflict of interest. Where you pay a fee, it is reasonable you receive a service in return for this payment. In this scenario, a buyer will look to the sales agent for 'support' when negotiating the deal.



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However, a sales agent cannot serve two masters and under the Law of Agency, they have a duty of care to their client (which should be you, the seller).

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Working solely on your behalf

Remember, in any situation, a buyer will have a maximum amount to spend acquiring a practice. So, let's say this is £500,000 and they could pay the sales agent up to a 5% fee. Therefore, the maximum they can offer for your practice is £475,000. If the agent receives £25,000, this must come from the amount available to purchase your practice.

Where you pay the agent, you'd receive the full £500,000, but have to pay the agent yourself, which could well be less than 5%. You have also removed any potential conflict of interest, as the agent will be working solely on your behalf.

While we all love things for free, there is a real danger in being seduced by this on such a valuable asset. It's worth ensuring you've got all the information upfront so an informed decision can be made. **D**

FOR MORE INFORMATION about selling your dental practice or to obtain an up-to-date valuation for your practice, call Frank Taylor & Associates on 0330 088 1156.