

Advance Planning for Practice Succession: 3 Things to Consider

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01 HIRE ADVISORS WITHOUT CONFLICTS OF INTEREST

Build a team of advisors in key areas like accounting, lending, and legal, who have experience in practice transitions; but beware the many "helpers" seeking a percentage of the transaction. Some have their role, but oftentimes it can be unclear whose interests are being served. Your attorney should have ONLY your interests at heart, and is legally bound to a duty of loyalty free from conflicts of interest. When it comes time to allocate the purchase price or draft an employment agreement, you'll see why.



02 TAKE THE LONG VIEW OF EMPLOYEE RELATIONS



In an asset sale, the seller usually lays off their staff, and in most cases, the buyer hires them into a new company. This is often overlooked by both the principals as well as the employees. Do not wait until the week before closing to think about how you want to structure your employment relationships! Meet with an experienced Maine employment lawyer to help you understand what policies and procedures to adopt, and just as importantly, the ones that might not even apply. Cutting corners here by taking whatever your payroll company gives you, or copying policies from out of state or your last job, is a false savings.

03 GIVE YOURSELF SPACE TO WORK ON THE DEAL

Whether you're buying or selling, this is likely one of the most important transactions of your lifetime. Plan your schedule accordingly. You probably cannot acquire or sell your life's work in between your normal patient schedule. Build in some flexibility for the weeks leading up to your closing. You don't need to go to half-time, but buffer time will allow you to keep yourself and your team on the same page, and will lower your stress. Make sure you have a quiet place to take confidential phone calls and respond to emails. You will likely need more than just your smartphone to do this.



By following these basic tips, you'll be better equipped to handle whatever comes your way, and to enjoy the ride. For more tips, and to discuss any questions you have about your own future, drop me a line at malloyfirmmaine.com/contact.

