



□ CONTRACT RENEWAL TIME



Pro Tip: Get your contracts updated before the end of this year.

Why does this matter? Keep reading. It will only take two minutes.

Many of our clients engage associates or hygienists without a written contract.

This is an unwise decision.

Some have proper contracts, while others are expired or about to expire and will soon be on the dreaded “month-to-month” basis.

If that sounds familiar, ask your lawyer for their thoughts. Spoiler: you won't like the answer.

Thinking of selling your practice? Ask yourself this question: Would you rather buy a practice with or without proper contracts in place?

You already know the answer: A practice with proper contracts in place is now the minimum standard.

Ask a buyer, lawyer, accountant, or banker. They all will tell you the same thing.

Now is the time to introduce, revise, or renew those contracts before it becomes a problem.

Times change, and so do legal precedents.

No contract = no protection for your goodwill.

A contract signed 5 years ago may be useless today.

Today's contracts include the most current, enforceable language, and they increase value.

Especially when it comes to the current stance on restrictive covenants.

And here's something you may not have considered: **social media**.

Even if you have a proper, written contract with your team, I would bet there is no mention of social media or what happens when they move on.



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Can they post an announcement about their new location?

Would that be considered solicitation?

Non-owners reading this article may be upset with me.

Owners, however, reading this article should take heed. A resignation can happen in the morning, and a post can appear that same afternoon. Hundreds of your patients may see it and choose to follow the provider to another dental office.

One of my clients once had a dynamic associate who built up a large social following by encouraging patients to **“Like him on Facebook.”**

When he left, he posted his new address, and many patients followed. It was a costly oversight.

Employment contracts are just as important.

If you have them, great.

If you do not, you are taking a significant risk.

Want to Increase the Value of Your Practice? Start with Your Contracts.

If you are serious about maximizing the value of your business, updating your contracts to meet current legal standards is an easy decision.

Most owners do not have the time or appetite for legal battles. They are focused on running successful practices and avoiding costly courtrooms.

As a result, departing associates and staff may erode practice value without resistance.

Even the big organizations are actively reviewing and refreshing their contracts. Why? Because they understand how a poorly written agreement can impact valuation, and how expensive the consequences can be when things go wrong.

Associates have left these large organizations, sometimes with severe repercussions.

These organizations now ask for early contract renewals to shore up the long-term effect of the agreement, particularly if they are thinking of selling. Yes, that is foreshadowing a looming big event. 😊

Sellers, listen up:

Invest in proper, written contracts. They make a significant difference.

In one recent case, putting solid agreements in place increased the practice value **by over \$200,000.**

The cost? **Less than \$10,000.** An incredible ROI for sure!

Still not convinced. Ask your lawyer, your accountant, or even your banker.

Concluding thought:

As a buyer, would you rather purchase a practice with proper contracts or without?

It really depends on your role:

Buyer or seller? Associate or owner?

It is important to respect the views of each party and to understand how these contracts impact everyone involved in a negotiation.

If you would like a FREE sample Associate Contract **TEXT me @ [\(416\) 520-7420](tel:4165207420)**

Refer a friend and you will BOTH receive a **REVERSE Tariff** professional courtesy of up to \$1,500 each toward your ROI Appraisals. A total savings of \$3,000.

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