



**Timothy A. Brown  
with Roy Brown**  
Timothy A. Brown is  
President & C.E.O.  
of ROI Corporation

Truly, brokers  
have allowed  
many dentists  
to retire with  
dignity

# The History of Brokerage

As Roy Brown walks down the aisles showcasing the latest in dental equipment, supplies and technology at the 2011 ODA Annual Spring Meeting, a smile comes to his face. An old friend and colleague greets him and a warm welcome and handshake are exchanged. This is his 62<sup>nd</sup> ODA Convention and while he still meets many old acquaintances, he laments that there are not nearly as many as in earlier years.

When he started in the dental supply business 62 years ago, there was no resale market for dental practices and no need for brokers. When a dentist retired, his equipment ended up in a basement or dump as it was not saleable and his patients moved on to another dentist.

All this changed in the 1960s when the brokerage business was born. The change stimulated by the “baby boom” initially came in the form of partnerships and group practices in dentistry. While this development was short lived, it created a need for a qualified opinion of what dental assets were worth; either for dentists to start a group practice or to form a partnership. Roy saw this need and the first “brokering” came into to play.

Initially, Roy faced obstacles.

He was not recognized as a professional in the same way lawyers, accountants and bankers were. His philosophy that there was value in the ‘goodwill’ of a practice was not readily accepted. His opinion was underestimated and the ‘goodwill’ aspect of selling a dental practice was deemed to be worth only \$1.

When the ratio of dentists to patients increased, patient flow became a concern. Young dentists with bills and loans to pay, as well as retiring dentists started to advertise to keep new patient flow steady. Roy recalls that *Oral Health Journal* was the preferred venue for dentists to advertise their practices for sale. The number of pages with ROI listings grew significantly, year after year. If there was a problem or question, Marg Whittaker, at *Oral Health*, was for years the person to talk to.

Roy chuckles as he recalls Marg calling and saying, tongue firmly in cheek, “It’s that time of the month again, Roy — get those ads in!”

By the end of the 1970s practices with solid financials and a large patient base had become valuable commodities.

Roy fondly recalls when he and

his wife, Joan, worked for thirteen years out of their house in a fledgling but slowly prospering dental practice sales business. Soon his eldest daughter, Lanee, joined the company and they opened an office together. Over the following 15 years, they established the foundations of a successful company based on good business practices. The company became synonymous with the appraisal and sale of dental practices.

For the last 25 years, Roy's son, Timothy, after having bought the business, has taken ROI Corporation to new heights of success.

The company is truly a family owned and operated endeavour, with Tim's wife Sandy and Roy's grandsons, Robert and David actively involved.

Today in Canada, brokers are licensed by the province (with the exception of British Columbia). The Broker Act ensures that they are qualified in communications, real estate law and sound business fundamentals.

Roy maintains that success in his business is based on ensuring the confidentiality of the listing and representing the seller exclusively. Canadian Agency Law allows for no equivocation in this matter and Roy firmly agrees

with the law. He points out that he has an obligation to the buyer to be honest and forthright.

Brokers have done much to make Canadian dentists financially secure when they must sell their practice because of illness or a desire to retire. Many practices today receive multiple offers and sell for well over a million dollars. Compare today's prices with that of the first known dental practice sale, by Roy Brown in 1974 — for \$28,000!

Roy relates many of the changes he has witnessed, especially with regard to the new technologies and procedures. He is encouraged by the large percentage of female dentists that have graduated in recent years.

He recommends that graduating dentists spend three to five years as an Associate in order to perfect their skills and learn practice management skills. Then he suggests they buy an existing practice and run their own show.

Back at the ASM, Roy stops, recognizes and then reacquaints with another old pal and more memories are shared. It is easy to see that Roy still relishes his long relationship with the ODA and *Oral Health Journal*. **OH**

Today,  
practice  
"goodwill"  
constitutes to  
about 1/2 of  
the value of  
the practice