CODE BREAKER: THE FIRST YEAR

I have practiced over three decades, owned multiple million dollar dental practices, a commercial dental lab, marketing company and partnered to create Summit Practice Solutions, a twenty year plus management company designed to help dentists with the business of dentistry. It has always concerned me that far too many dentists give us a call in there tenth, twentieth, or latter years of practice with an incredible host of problems. They have spent their entire career, up to that moment, struggling with the business of dentistry. Even with years of experience they find themselves struggling to pay bills or create and manage a successful dental practice. Practicing does not make perfect, it makes "permanent". Only perfect practice makes perfect. It's like the old computer axiom: GIGO (Garbage in, garbage out). If they could have read what you are about to read, their practices and professional lives would have been far different. It just seems like the root of most of these problems stem from poor or no information, lack of application, and inadequate coaching on areas that where doctors fall short in. It would make sense that if one could educate a dentist earlier in his/her career, most of these shortfalls could be avoided. In your case, your dental advisors or educators have a daunting task with an event specific date of completion: They must raise your dental IQ and application to a certain point of competence. This often means spending a great deal of time on clinical acumen, and less time on the business end of dentistry. I had great teachers and mentors in school and appreciate the difficulty they faced. I would also have to say that most of them were themselves ill equipped to start, run, and maintain a growing thriving dental practice. Their interests and skills lie in the education of a new student. It was not their skill set, nor was their dental schools equipped with the depth to give you everything you needed to run a successful business.

This is gift to you. You are beginning your senior year in dental school with less than a year before receiving your degree, or you've just started your career. Time is short and I want to make sure that by reading this short E-Book, you cut literally years off your learning curve. I have nothing to sell you and just wanted a way to give back to my profession. If you can read and digest the contents of this book, you will know more than 90% of the doctors who have been practicing

decades. Life is funny. You don't have to reinvent the wheel. You don't have to start with "A" and proceed to "B" and then "C". You can actually leapfrog from "A" to "G" or even further. All you need is knowledge from the right source: Someone who has done it and is able to teach other doctors to reproduce that success. You have probably heard this before but it *is* a myth. "Knowledge is Power". Knowledge is not power, Knowledge is potential power. The truth is that there is no learning without application. Every one of those struggling, average dentist have a closet full of continuing education material, and have spent countless hours trying to improve their game. Yet they continue to struggle.

Most of those struggling doctors think that their success hinges on their ability to improve their clinical excellence. Nothing could be further from the truth. Competence and a life time dedication to improving your skills are important. What you make in life, the success of your practice, and even your family life with hinge on one thing: Your "people skills", and your ability to lead.

Looking back over thirty years of practice and coaching, and studying the one hundred students that I graduated with in 1975, has given me a unique perspective on success. I know what happened. We as a class of dental graduates are all closer to our "use before date" as opposed to our "born on date". You're winding up, and we're winding down. Statistically at age 65, you will be dead or dead broke. Only 3-5% of dentists will be financially independent at age 65. They have had millions of dollars go thru their fingers during their careers, yet never figured out how to manage their finances. The weird thing is that they too began their senior year with nothing but unlimited possibilities in front of them. Yet, decades later, they find themselves falling short of those dreams. You do not have to make their mistakes, or become a statistic. You truly can take charge of your careers and take our profession to the next level. Gordon Christiansen of Clinical Research Associates said it best: "Your dental licenses are just learner's permits. At graduation you are just barely, not dangerous."

NEW GRADUATES CONCERNS:

I generally speak before four or five dental schools every year. This generally elicits several calls a week from young graduates needing guidance or help with a job. There is seldom a call from a new senior, just graduates. They think that graduation is nine months away, there's no rush, and I'll worry about a job in the spring.

Things have changed and jobs will be difficult to find. Welcome to the "new emerging economy". About 5000 dental students will graduate this year, with 4 other dental schools ready to open their doors over the next 23 months. Prior to the economic challenges we face today, more dentists were retiring than were graduating. Not anymore. For the first time in four decades, we have doctors postponing retirement or eliminating it all together. We have retirees moving back into the workplace because they have found their retirement funds woefully lacking in this environment. We see senior doctors letting staff and associates go because of a prevailing downturn in profitability and business. New patients are fewer and harder to come by. Once successful practices, are wondering why the strategies and business models of days gone by are no longer working.

Every segment of our profession is being challenged. Insurance companies are back with a vengeance and managed care is at an all time high. With a new political party in power, you can count on increasing taxes and welfare or give-away schemes to flourish. National health care with its inherently flawed delivery systems will grow and dentistry will not escape its grasp. The cost of a dental education along with the cost of living for a dental student has increased exponentially. I am seeing more and more students with $300,000 student loans when they graduate. Even scarier is that you students are marrying one another, so now it is $600,000 in school loans for your family.

Recessions happen every 7-9 years, and take a couple of years on average to recover. They are normal corrections that keep our economy honest. It eliminates marginal businesses and is capitalism at its best: Serve your clients, and be competitive or die. A business that does not inspire customers will go

under. Let's face it, dentistry is just a small consumer driven business. Nothing happens till the client says yes. In a challenging economic environment people must make choices and budget their money. Patients vote with their feet. There is a dentist on every corner and consumers have choices. More than ever we need to meet our client's needs by "consumerizing" our dental practices. We need to be compassionate, caring, convenient, affordable, and have hours that consumers want.

Young Graduates Concerns:

There are common threads in the questions that I get from recent graduates. I would like to address the most common ones.

- **Repayment of student loans and other debt**. Most students leave dental school with $200,000 to $400,000 in school debt. This has to be number one on your minds. How will I be able to service this debt and make a living, much less ever own my own practice? If you are one of those lucky few who fell in love and married another dental student, you now have over $600,000 worth of debt to contend with.
- **Relocating and home acquisition**. Most students either want to move back home, or move to a location that buys them an edge. When I say edge, I am referring to a location with more opportunities, good financing available, with a moderate cost of living, and a demographic that encourages growth in a dental practice. For a young doctor looking to buy into a practice, I would say that most graduates make the mistake of wanting to locate in a large metropolitan area. Generally it is over saturated with doctors and the level of competition makes it difficult to have a successful practice. More and more we find that rural practices (At least 30-40 miles outside of a large city) have the greatest opportunity for

growth, limited competition, the lowest overhead, and highest productivity.

- **Family concerns**. There are always external pressures pushing young doctors to a particular part of the country. Statistically the doctor, whether male or female, will end up within a 2 to 3 hour drive of the female's parents. Your choice needs to be balanced by family, wise business decisions on practice location and future growth potentials, as well as the part of the country you wish to live.

- **Investing in the future**. How should I balance debt reduction with savings? Should I rent or own? Will this be the right choice? Who can I trust for advice? Investing for the future is not just about money. It includes business skills, life skills, and growth strategies.

- **Clinical skills**. Remember: That dental license is just a learner's permit that makes you almost not dangerous. You are very aware that you fall short on competence. You know you need a mentor. You need the guidance and time to become confident in your clinical skills. The problem is that you will probably end up working for a senior doctor who, by any definition of clinical and business excellence, is very average or poor. Most of you will end up working for someone that in truth is the last person you would ever want to emulate.

- **Business skills**. They have been brainwashed by your dental schools and other young dentist to believe that you must go into an associateship to build clinical speed and learn the business of dentistry. While we all need a mentor, most of these graduates will end up working for the typical "average dentist" or in a corporate structure. A doctor who has failed to grow his business is probably the worst mentor this young doctor could pick.

- **Money management skills**. This could include investing for the future if we consider the financial hurdles each young graduate faces.

It includes how to negotiate a contract while wondering if this is the right thing to do.

- **Lack of real world experience**. We all spent many years in school. This is the first time that we were faced with providing for our families while juggling the hats of a dentist, spouse, parent, banker, CPA …
- **Fear of being taken advantage of**. Everyone, from the dental supply companies to the hiring doctor, wants something from you. You will feel both flattered and used. You should realize for the first time that the decisions you make today will affect you for the rest of your life. A daunting task at best.

The Facts:

According to the ADA, 74.6% of dental graduates are practicing as associates or independent contractors one year out of dental school. 94.4% of senior students said they could not afford to start their own practices. An interesting thing is that 72% of all associate jobs fail within 15 months. This should impress you even more: 78% of all dentists practice alone. So here is the problem: All the graduates feel they must associate with a senior doctor upon graduation. Problem is the senior doctor has no clue about how to work with another doctor, much less know how to manage their practice to the level that another provider should be added. The young doctor soon feels that they were misled in working for this senior doctor. They feel that they are doing all the work and the senior doctor is making a financial killing on their labor. The truth is both sides are completely wrong. The relationship was doomed from the beginning. Without the proper strategy, systems, documentation and attitude from both parties a multiple doctor arrangement will always fail.

The next section of this E-Book is an article that I wrote and published in the fall of 2012. Take to heart what it lays out the obvious consequences if even part of it is correct.

THE SUPER "GENERAL" DENTAL PRACTICE

Nothing stays the same. There are always game changers and evolving situations. This is true even in Dentistry. The problem is that most of us are not seeing it: We can't see the forest for the trees, or we are just too close to the problem to properly asses the solutions. Somehow we have become an industry in denial with a lack of concern or perception of the reality of our plight. No longer can you take on the strategy of just hanging out a sign on any corner in town and expect to survive, much less thrive.

Let's take a look at Dentistry today. The facts, trends, and strategies that are shaping our future in dentistry will catch most of you unaware until it is too late. It's like the parable of cooking a frog. It is impossible to cook a frog by throwing him into boiling water, because he will just jump out. The frog gets "cooked" when he is placed into cold water that is slowly heated to boiling. It is so gradual that by the time the frog realizes his plight, it is too late. He is dead. This is dentistry today. The water is so hot that if you sit there any longer you will be cooked. We have taken on strategies that are folly as for as sustainable growth driven by consumer desires. Nothing happens unless the consumer says yes. Are you listening to what they are saying? Will you react and give them more of what they want and less of what they don't?

In the early nineties we were introduced to "Cosmetic" dentistry along with more and more products and technology to "sell" to the consumer. We went from being the third most respected profession to the next to the last one: Just above a used car salesman. We made the mistake of wanting the dentistry more than the

consumer did. We crossed the line and now we are losing our audience in the market place. When was the last time that every dummy on every corner did not claim to be at cosmetic, aesthetic, implant, sedation, TMJ, sleep, pain, comprehensive, smile stylist, dental spa specialist? The brand is so diluted that every Tom, Dick, and Harry from every "institute", study club, and "academy" with its bogus pseudo specialist diploma is claiming some heaven sent, never before seen technique or service that will set the patient free.

Don't get me wrong, I love cosmetic dentistry, sedation, implants, and orthodontics. They will be around forever. The problem is that practices that limit themselves to just one of these niches, or showcase the boutique style practice will find it more and more difficult to find patients that want just that. By only offering certain services at the exclusion of what most general practices offer, you limit the range of patients you can inspire. No patient wants to be diagnosed by a general dentist, referred to an endodontist, oral surgeon or pedodontic specialist if their trusted dentist would do the work. The stand alone "boutique practice" is dying and will be limited to large cities with an over population of dentists all seeking the same 3% of the population. That small percentage of the population that needs, wants, and can afford this level of dentistry is rapidly shrinking and is not being replaced by generations of neglect or ignorance. Cosmetic dentistry in general is a product of an affluent society obsessed with the external. Even from a clinical perspective you will find that the best dentistry is no dentistry at all. Healthy teeth and soft tissue is as good as it gets. Procedures that irreversibly alter a tooth relegate the patient to having to repeat the procedure every 12-15 years, and that's if it is done to the highest standard of clinical excellence. Decayed, missing, and filled teeth are becoming nonexistent in middle class America. Demographics show us trends that prove these assumptions. Stop and take a look at what is happening around you and your practice. What are the trends? What is changing? How will you adapt? Why are corporate practices growing at such an alarming rate?

I know what's going through your minds right now. I don't want to hear this crap. He's off on another tangent that doesn't affect me. I hear this every day: A myth that you are the exception rather than the rule. I hate to bust your

bubble, but if you've been practicing in the same location more than 15 years, the odds are you are in the wrong place. While you have not changed, the demographics, people, income level, race, median house hold income, education, disposable income and age of the neighborhoods around you have changed dramatically. You are not in the same place. Today is nothing like it was 15 years ago. Is it any surprise that you are struggling to get your share of new patients, lower your overhead, save money, and raise your production doing the same thing over and over again and expecting a different result? That result will never come. You are no longer inspiring your patients. Every system in your office is geared to give you the results you are getting. It is hopeless until you decide to do something different. If you are not operating at below a 60% overhead, producing $20,000/employee/month, producing $25,000/Op/month, growing at least 15% a year with 40-60 new patients per month, while saving your age in $1,000 bills each year, then count on never retiring, or living on Social Security the rest of your lives.

Even the recent graduate will struggle. They are educated for a minimal level of competence by professors who have no real world experience in the successful business model of a modern dental practice. They fly out of dental school ill prepared to meet the demands of business and clinical dentistry. They used to be, just barely not dangerous, now they fall short of that. Their expectations so far exceed reality in pay, and responsibility as to be ludicrous. Currently we have just under 5000 dental students a year graduating from schools around the nation. We have more and more retired dentist coming back into dentistry because they have too much time and too little money saved. We have older doctors reevaluating or postponing retirement altogether. Add to this the lack of general business creating situations where current associates are being let go and you have the perfect storm. Dental students are coming out of dental school with $220-300,000 in school debt, few skills, no job, and a challenging future. A lot of them are even marrying a fellow classmate so now its $600,000 in school debt. The icing on the cake is that every last one of them wants to practice in the city. In Dallas, Austin, LA, Atlanta, New York….: The very places that guarantee failure due to decreasing demographics and unsustainable competition.

I call this "competition kill off". It's like an over stocked lake where there is not enough food to go around so they begin to eat each other. I practiced in McKinney, Texas for over 30 years. Just next to it is Frisco Texas. They meet at a North/South street called Custer Road. These two cities are the fastest growing towns of their size in the US, but the ratio of dentist to patient on Custer Road is 1 dentist to 275 people. You need at least 1:2000. You cannot make a living in this area. Everything changes. You can't survive in "demographic denial". Where you practice, how your practice, what you practice, and when you practice are the points that will create success or failure.

Specialists are not immune either. They, more than anybody else, are feeling the pressure of change. When the going gets rough, general practices actually start studying and adding specialty services. 99% of all endodontics is done by the general practice. 30% plus of orthodontics is being done by the general practice. We are doing sedation, implants, perio, you name it, we are doing it all. They want to stay with the general dentist they know and trust. Technology has made this accelerate: Automated endo with ultrasonic's and rotary instruments. Technology in bracket and wire design has made orthodontics a no brainer for 90% of the ortho cases. Add in Clear Choice and Invisiline and there is no wonder that Orthodontist are down 47% in the last 3 years. You name it and specialists are feeling it. Why should the general practice send out every wisdom tooth, periodontal implant, or orthodontic case? There is no reason and there are plenty of reasons to keep it in house. This is a trend that is not only accelerating but becoming nationwide.

The next nail in the coffin of the boiled frog is Insurance managed care. I call this "Insurance Glut", and they are here to market you out of the game. Every insurance company is pushing their enrollees to seek an in network provider. Every time the out of network patient has a crown done, they receive a letter from the insurance company on how much they would have saved by seeking an in network provider. They are trying to make the public believe that a crown is a crown. If they succeed, there will be no reason to select a dentist other than by fee. You just pick the lowest priced provider. Guess what? They are succeeding in many states. These people have lots of money and know how to play the game.

You and I have to be aware that they are not going away. The latest and greatest tactic by Big Brother is to systematically use technology to limit fees and illuminate good doctors who do high end dentistry. We had a client who was dropped from Met Life due to an arbitrarily high number of crowns done by his office: Crowns that the insurance company had approved on their EOB. The doctors that are being eliminated are the ones that continue to be at the front of dental research and study: The LVI, Pac Live, Seattle Study group, Pankey, Dawson, Rosenthal, and American Academy of Cosmetic Dentistry types. Through no fault of their own, they are being excluded from managed care because of their excellence in dentistry. It is not "good versus evil", it is just another business plying for the consumer dollar trying to be profitable, and we have to be competitive to make this work. Insurance companies with ever updated strategies are not going away.

The final nail is the corporate dental practices. People like Pacific, Monarch, and Heartland… are making huge inroads to dentistry in the US. This strategy has started and stalled off and on for over 20 years, and now it is working. We have uninformed, clumsy business models that are ripe for picking and the Corporate nationwide companies have hit their stride. These people are not going away either. These companies are looking at a business that can generate 25-50% profit margins when operated correctly. Give me a break; grocery stores operate on a 3% spread. Dentistry is ripe for the harvest, and the solo practitioner is clueless. This happened some 30 years ago with Pharmacists. Most if not all pharmacies were individually owned private businesses. Then came the big bad wolf. Corporate America saw an opportunity to capitalize on this mom and pop operation and turn it into big business. Enter Wal-Mart, CVS, and Eckerd's. So successful were they, that there is not one privately owned pharmacy in all of San Francisco today. This is our future if we do not act. If you wait to react it will be too late.

So what do we do? How can we compete? What is "the" business model for the future of dentistry? It's not the 23 operatory, high stress, high staff turnover, corporate model. It's not a spa/boutique practice with limited services for the high end customer. It is not a specialty practice that depends on referrals

from the general dentist who no longer refers to specialist. It's the phenomena of the "Super General Practice". Let me just list a few of the characteristics of this new model that is popping up around the country and thriving in any market.

- *It is located in an area of growth with a demographic of at least 50% of the population below the age of 39.*
- *It will have a race demographic of 80% white or higher. If Hispanic, black, or Asian race demographics exceed 5% they will reflect this in their hiring practices and marketing to become more inclusive of all the factors from age, income, race, and educational level.*
- *The median house hold income will be $50,000 or higher.*
- *Educational statistics will indicate a 90% or higher high school and at least a 40% bachelors degree*
- *People living in the same home 5 or more years will be below 30%*
- *They will see and market to kids*
- *They will take most insurance and try to eliminate as many hurdles or barriers as possible to treatment while still maintaining a 60% or below overhead.*
- *They will have multiple financial options along with perhaps the ability to carry the financing themselves while still maintaining above a 98% collections rate.*
- *Hours will include Saturdays and Fridays and most often is six days a week with Sunday's following close behind.*
- *Services will include but are not limited to: Implants, C&B, sedation, TMJ, oral surgery, limited perio, orthodontics, and all of the normal general practice services.*
- *Staff cost will be at or below 25%, with benefits, and a progressive bonus system that guarantees a "staff ownership" mentality.*
- *6-10 operatories that maintain a $25,000/month/Op production rate or higher.*
- *They will have long time caring and compassionate staff with little or no turnover. The owners will not tolerate mediocre staff. Staff will have a functional bonus that will act as an incentive for above average results. A*

policy manual and job descriptions will detail consequences for lack of performance also.

- *They will average 2 hygienist per dentist or 2X the hygiene hours per doctor hours.*
- *New patients numbers should meet or exceed 40-70 new patients/month/doctor*
- *There will be multiple providers leading ultimately to multiple owners. Creating an attitude of ownership among the doctors.*
- *While it grows it will maintain an attitude that will embrace change while constantly monitoring results. The owners and staff will make sure that serving the patients is a core tenet in building a business model that will continue to grow and compete in any economy.*

This "Super General Practice" is the model for today and the future. The practices that are at the fore front of profitability and sustainable growth already know this. Wake up and reevaluate your direction and vision. Waiting for the good ole days to return, guarantees that you will be the victim in a profession that needs to change.

Begin at the Beginning: Ask the Right Questions

Regardless of the age of the doctor or the number of years in practice, I always ask the same two questions: *"How much is enough?"* and *"How long do you want to practice?"* Seldom can anyone answer these two simple questions. The young ones say they just started and haven't really thought about it. The mid-career doctors are beginning to worry about whether or not they will ever be able to retire, usually because they are in debt up to their eyeballs. The older doctors (who know they haven't saved what they need for retirement) say they "want to" practice 5-10 more years. As for money, they feel like they need $2,000,000-6,000,000 to retire. I try to give them a guideline using an approximate 5% after tax return on the money they have saved. AAA Tax free municipal bonds will do this with no fear of market volatility or failure to get your money back. If you think you need $100,000/year after tax, you will need to have $2,000,000 in savings: $200,000/year would be $4,000,000. You get the idea. The problem is that most of these doctors have not saved a penny. Their debts far outweigh their assets. What happened? We literally have had millions of dollars pass through our fingers during our careers and most of us have little or nothing to show for it. I believe it's because we fail to plan. We let our lifestyles out strip our earning capacity. Believe me, there is no amount of income that you cannot spend. Because of this, I see the average dentist spend just a few percentage points more than they actually take home. A failure to set goals early in life with a due date and a strategy to get there is a plan to fail. The results of not planning create average doctors with below average results. Keep in mind that as an Associate you will most likely end up under the tutelage of this Average dentist. Statistically the "average dentist" today is:

- 54 years of age.

- $225,000 in net worth (Assets - Debts = Net Worth).
- Divorced at least once.
- 67% dislike their chosen profession.
- 47% have abused alcohol or drugs during their career.
- Have endured at least 3 career lawsuits.
- Only have 1.5 days of hygiene per week in their practice (Should be 8 days a week or two full time hygienist/DDS).
- Have a 91% collection rate (Should be 98%+).
- Have a 42% recall rate (Should be at least 80%).
- Produce a little over $625,000/year with a 67-74% overhead (The Overhead should be in the 50-60% range).
- Net pay is around $60.00/hour. About the same as a plumber in the State of Texas.

L.D Pankey said it best: *"The average dentist is the best of the worst, or the worst of the best."* No one ever left dental school hoping to become an "average dentist". Fail to plan, to find a mentor, coach, or consultant and you are doomed to mediocrity. I have made a short list of the characteristics and habits of the "average dentist" that I have observed over the last few decades of coaching. I call it the "Seduction of Good Enough". Consider this. You graduate from school and go into an associatship and then:

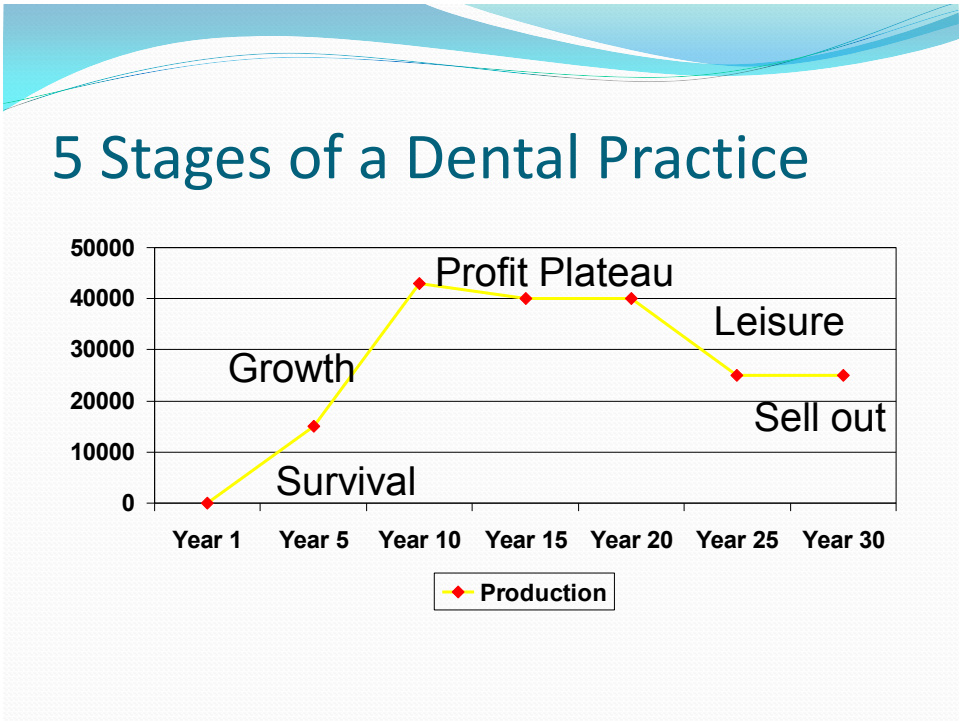
- Do the minimum required.
- Wait until the last minute to do things.
- Be unprepared and unorganized.
- Accept mistakes and errors as part of life.

- Be willing to let someone else do it.

There are 5 Stages of a Dental Practice. If you were to place these stages on a piece of graph paper, they would look like the diagram below. The Vertical axis is measured in money. The Horizontal axis is a measure of time. We all start day one with no money and we'll call this the **Survival Stage** of dentistry. We will do whatever it takes to make a living: We are real short on experience, and long on persistence. We start out doing whatever it takes. The great thing at this point of our careers is that we don't know what we don't know. We are pretty clueless about the business of dentistry. We are just looking for a chance to get into the game.

The next stage is the **Growth Stage**. This is the most exciting time for most of us. We start practicing as a dentist, get an apartment or home, get married, and even start a family. We are gradually increasing our clinical, business, and financial skills, usually by trial and error. Everything is looking up. At almost every turn, we run into something that is a challenge. The trouble with growth is that it ends far too quickly for most of us. Very few of us are able to keep adding productivity, clinical skills, and sustain growth in our practices. Without continued growth and profitability, we are doomed to languish in mediocrity. Note: This is the time you want to consider an associatship, or no later than the beginning of a Plateau stage.

The next stage is the **Profit Plateau Stage**. You could find that you hit several different plateaus during your career. Slow down, plateau, and then you market more, add a procedure or even another provider, grow a little, and then hit another plateau. It is kind of like failing. You really only fail the last time you stop trying. As long as you fail forward and keep getting up after a challenge knocks you down, you have not failed. You may currently struggle with some challenge, but it will not make you fail.



The strange thing about this graph is that the time line may not be your entire career. You might find that you enter the Profit Plateau Stage in your 5th year, or maybe never. It varies from doctor to doctor and practice to practice. But I find too many doctors arrive too early and remain stuck in this Plateau Stage for most of their careers. They feel helpless to control their circumstances. They feel out of control. The practice, staff, patients, overhead, and management have taken their toll. They stopped trying years ago. They just come in, do what they have to, leave, and *hope* for the best. The truth is ---- *hope* is not really a strategy.

It is about this time of helplessness and lack of control that everything begins to go downhill. Patient numbers drop, production barely covers expenses, staff turnover is high, and the inevitable slow down into the **Leisure Stage** begins. The name leisure probably doesn't do it justice. It is more of a "decay of attention and profitability": A time when stress is the constant and profit is elusive. You begin to think of patients as the problem. You arrive late, never really are fully engaged during the day, leave early, and try to occupy your life with something other than dentistry.

It is at this point that we hit the **Sellout Stage**: The very worst time to try to sell a practice or bring in an associate or partner. Your systems are in shambles, there is little or no profit, and not even enough energy to lead the practice. You will receive the least amount of money for your practice and have little or no time left to act on an investment strategy to help it grow. At the time in your life when you need money the most, and should be able to cut back, you find yourself back at the **Survival Stage**. This is a vicious circle that captures way too many of the dentists I encounter: Great opportunity, plenty of time, but a complete failure to follow thru. You become a thermometer instead of a thermostat. You sense what's going on around you but you never control your environment. A young doctor should never buy a practice in its lowest stage, unless it is a fire sale.

Not a pretty story and not the path that you want to take. That is why you are reading this. As a new graduate, you will be looking for a practice with the goal of a career-long **Growth Stage** with huge financial gains, less stress and a renewed enthusiasm for life.

At forty years of age I decided I would retire from dentistry in 15 years with $6,000,000 in assets and be debt free. I had just read Bob Buford's book "Half Time". In it, he tells how his son dies a few days before joining him in running his very successful business. It traces his thoughts and grief as he tries to make sense of life. His conclusion was that he had spent the first part of his life trying to be "successful". He felt he needed to spend the last stage of his life trying to do something "significant". He referred to this point of transition as "half time". Kind of like a football game where you go into the locker room with the first half over and having to reassess your strategy for the second half. I came away from that book with a renewed purpose and a new plan to make my dreams come true. The trouble was that I didn't know anything other than dentistry. I had to make dentistry fun and profitable for the next 15 years. During that time I sold partnerships for fractional ownership of my practice to 3 doctors, grew the practice an average of 15% a year, lowered my overhead to the 50% range, added 9 hygienists, a commercial lab, one more location, started

Summit with my partner Max Gotcher, and eliminated all of my debt. I have tried to add significance to every day of my life since that turning point. It is this sense of purpose and significance that continues to drive me today in my sixties. It is this sense of purpose and significance that I hope to give you as you begin your career as a dentist. I also just published a 500 page book called "The Roadmap to Wealth & Security: *Your Complete Guide to Dental Transitions.* It includes practice management, contracts, strategies, and a blue print for senior doctors to sell a portion or all of their practices in a profitable predictable way. I hope it finds its way into the hands of your future partners and employers.

When Should an Associate or Partner Be Considered?

Let's say you are with us so far, and we are on the same page. As you begin your search for a practice to associate with, you must have some benchmarks to understand the difference between a "good practice" and one you should *pass* on. There are some parameters that I would like you to consider as benchmarks of a practice capable of supporting multiple doctors. You will find this next section of practice benchmarks to be very challenging to find. Most practices will fall short of being able to meet these criteria. While failure to measure up is not necessarily a reason not to proceed, it is the first hurdle you face in finding the type of practice it takes to successfully have multiple doctors. Take the time to have the senior doctor pull out their P&L statements, month and/or year- end computer reports, and tax returns, so you can take a look at the numbers. You will need to appear knowledgeable and confident in your research of potential practices.

An Associate or Partner should only be considered when the schedule is too full, and the senior doctor is tired and busy but poised for growth. The next area that should concern you is overhead and benchmarks that every well run general practice should consider trying to attain. I am using a general practice and not a specialty or boutique practice as an example. The numbers will still work and you should not consider these benchmarks as unrealistic or unobtainable. All of the practices that I have owned met or exceeded the benchmarks you are about to study. These benchmarks are what a great general practice should look like. They will give you maximum profit, lower overhead, decreased stress, and an excellent practice to purchase or be employed by. Think about it this way. If you find a practice that is close on these benchmarks you have found a practice that will truly educate and challenge you. In the end, you may not like the doctor or leave, but your stay will be like getting an MBA in Dentistry.

Overhead and Benchmarks

If you can define, or create a picture of where you want to be, you will shorten the path and define the result. The same is true in overhead. Your overhead should be 50% to 55%. This is realistic in any practice that is 5 years old or older. I see too many practices with bragging rights of huge production, but the truth is that the owner takes very little home. It has always been and will always be about net, not gross. You should be able to keep approximately half of every dollar you collect. One of our mottos at Summit Practice Solutions is: Produce More, Collect all, and Keep Half. Remember: You should collect over 98% of all collectible fees. An increase in productivity is of no value if the cost of overhead is not contained. We also believe strongly that the senior doctor should be debt-free. As a young doctor, if you find a lot of debt in a 5-10 year old practice, you have to ask yourself why. It's amazing how much less stressful every day is when you're out of debt. When working with young doctors to start a practice, we insist on a plan to make them debt-free within 3-5 years. When working with established doctors, we fight to get them to put their house in order, live within their means (spend less and produce more), and concentrate on the systems that guarantee an increase in net income and a decrease in overall overhead.

Looking at hundreds of practices and their numbers, I am too often surprised at the lack of information the owner doctor can lay his/her hands on. The profit and loss (P&L) statements are not available until 90 days after the closing of the month. The doctor cannot read the P&L, or glean the information that he needs to make decisions, and **does not realize that a profit and loss statement does not reflect true cash flow (what you collect and what you spend)**. They do not use software like QuickBooks to write checks and create a cash flow analysis. They are being overcharged and underserved by CPA's that do

not understand the dental business and seem to be in no hurry about getting the numbers to the client. If you want to lower your overhead, manage your practice for profitability, and control your future, one must have accurate, timely, real world numbers to guide you. No one can hit a target that is not there. That is why we all need benchmarks. We all need a target to hit: A goal to strive for. How are you going to know how you are doing if no one sets the bar? Benchmarks define the game we are playing. What does it take to win? Where are the goals, the yard lines and hash marks, and where are we starting from? As you interview for jobs, don't be surprised at the lack of business skill the senior doctor demonstrates. You will run into far more doctors with marginal business skills than you can imagine. Educate yourself, know the numbers, learn by their mistakes, and try to keep an "owners" mentality as you learn what to do and not to do.

No matter how many employees are on a practices payroll, or what a practices financials looked like last month, if the senior doctor believes that "organized chaos" and creativity alone will drive their business toward success, it's time to shift gears. Businesses without systems react. You want to forecast, measure, set goals and beat them. (And, of course, earn more money while doing all of this.) Benchmarks give you a ruler to measure your progress. They help you create black and white answers to grey questions. Let me give you a few benchmarks to help set a target for your General Dental Practice.

OVERHEAD: I tend to look at overhead from the perspective of cash flow: What comes in and what goes out. Not the way a CPA does it in a P&L statement with any deductable items listed. This cash flow statement creates a management tool to help you manage your practice day to day and should be shared with the staff.

Let's take a look at overhead, and the way we suggest a practice should have their CPA organize a cash flow statement. For you soon to be graduates, just take the P&L, remove the doctor's fluff and pay, and put everything else in the format below. Keep in mind, a cash flow statement is not used to do your tax returns. It is a minute to minute accounting of in-flow and out-flows of money. We believe all operating expenses should be contained in about 6 categories for

easy management of the practice. Attached to the categories is an ideal benchmark to help you move toward that 50% overhead (The average overhead is approaching 67%-75% and is terrible). These are the categories with ideal % goals.

• Staff Compensation	24-25%
• Facility	7-9%
• Lab	8-10%
• Marketing	3%
• Office Supplies	2%
• Dental Supplies	6%
TOTAL	50-55%

Staff compensation includes everything that would be spent on staff: Taxes, continuing education, bonus, trips, normal pay, benefits, uniforms, it includes everyone but the owner doctor(s). Hygienists and associates are included here. Go to www.indeed.com, go to the bottom of the page and click on salaries and enter your job description and the zip code for the office and you can compare what this practice pays in comparison to what it should pay. When making decisions about overhead and what a practice might pay a doctor employee, consider the added equipment, staff, and other ancillary costs associated with their hiring. You young doctors need to understand how this will affect your ability to be paid.

Facility includes all the physical plant and its costs: Taxes, note payment of the building itself, maintenance, lease, servicing note

for the purchase of a practice, utilities, equipment purchase or lease, repairs, etc..

Lab should include everything you spend on lab, including Cerec, supplies, outside lab work, and anything else related to that side of your practice. If the benchmark seems low, or you spend more on lab than the 8-10% you are probably limiting your practice to adults and a greater portion of your practice is C&B. This means your ability to market your practice is limited to a smaller, more lucrative audience and should reflect these demographics. If your lab is lower, you may not be assertive enough in your case presentation or not clinically mature enough to present more ideal treatment. Each of these numbers means something, and creates a picture of the health of your practice.

Marketing would include all internal and external things you do to inspire and reach your potential clients: Print ads, give always, signage, promotions, phone book; everything. It is said that everything you do, from answering the phone to staying on time communicates a message to your clients. You cannot, not market. While 3% is the benchmark, it is not unreasonable to do more. In this economy we recommend at least a 5% investment in practice marketing. A higher end practice may spend more here, and less in compensation. Do not cut back on putting your message out there. In providing a service or product: Do what you do so well that people cannot help but tell everyone they know about you.

Office supplies are self explanatory and are not usually a problem for most offices. Watch what you spend, and spend wisely. Only one person should be in charge of ordering dental and office supplies, and they should have a written budget that is adhered to.

Dental supplies and the money spent for them are often abused. Make a budget, monitor spending, have one person do the

"buyers club". As a tip to you young graduates, have your office call or email Woody Oaks with Excellence in Dentistry. They partner with Darby to provide a free service buyer's club. Go to their web site and click on the Darby link, and tell them you want to sign up for the buyers club (Excellence in Dentistry). They will give you 15% off their already low mail order prices and give you back 3% of your purchase on a credit card. That is 18% off one of the lowest mail order companies in the US. Do this tomorrow.

Remember: Every operating expense should fit into one of these categories. Your first question will be: What about all those things the senior doctor runs through the practice to write off. The answer: Everything below the line is profit and belongs to the senior doctor. The senior doctor may choose to spend them on cars, club membership, trips and non-dental expenses. You can still write them off, but we need real world transparent numbers to "manage" our practices. We are looking for a report that helps you manage your practice's overhead. On our web site: www.summitpracticesolutions.com there is a quick link to our radio show which has four or five hours on transitions. In addition to this there is also a link to our newsletter that can be searched by topic. I think both of these would expand your knowledge of the business of dentistry.

Practice Benchmarks for a well run General Dental Practice:

- *$25-$30K production per operatory/month (5 Ops = $100K-$150K/month).* If the practice that you are looking at is not at this production level, it does not mean they are a failure. It does mean they have room to grow, and there are no physical capacity problems. There is no need to add more room to produce more until they meet or exceed this ratio.

- *$20-$25K production per employee/month*. If they are not meeting this benchmark, they are either overstaffed, or under producing, or both. Once again, they have no staff blockages (not enough staff) if they fall short of this goal. It is possible to increase production without adding a single staff member.

- *50-75 new patients/doctor*: (Remember: we are talking about a well run general dental practice, not a "Boutique" practice.) Normal dental practices have a mixture of treatment and ages. As the senior doctor and their practice ages, it is normal to see fewer children. Along with this increase in age, confidence, and competence, comes more and more crown and bridge. The negative is that they have limited the size of the patient pool that they can vie for. Generally speaking, a dentist will only attract and inspire patients who are about 10 years on either side of the doctor's age. Open up a practice and still be in the same location 15 years later and you are probably in the wrong location. Demographics will change and before you know it, the neighborhood has gone downhill and there is a dentist on every corner. (To help you compete, you need to have a ratio of 1 dentist for about 2000 residents). Go to www.zipskinny.com, put in your zip code and up will pop all of your demographic information. This will be a revelation for most of you, and an aid in getting more new patients from updated marketing for others. Then, go to www.aftco.net, and look under Resource Center and then "Dentistics". Put in your zip code and see the number of dentists, the population, and the ratio. Use the demographics to position your search in an area that can and will support a growing practice. Too much competition or too fee patients or poor demographics will insure a mediocre start to your career. Bottom line: There is no excuse for not getting your share of the new patient pool. They will either grow or die. There is no way to just stay at a particular production plateau. Inflation, demographics and the economy slowly erode a business until it is too late. It is like cooking a live frog. You

can't drop him in boiling water because he will just jump out. Put him in cold water and slowly raise the temperature, and he never realizes his plight until it is too late. Welcome to the story of the average dentist. No one ever left dental school wanting to end up an average dentist. L.D. Pankey said: "The average dentist is either the best of the worst, or the worst of the best."

- *2 Hygienists per doctor*. Another way of stating this would be twice as many hygiene hours as doctor hours. This indicates a healthy recall, new patient flow, and shows that you have the back door closed. This is the life blood of a healthy practice. If a doctor has been in practice for more than 5 years, and has not found the need to hire another hygienist, you can be sure that this practice is not inspiring your patients. With the average new patient flow of 25 new patients per month, you would need to add a new hygienist every 24 months just to service them. If you are not seeing this, then you have as many patients leaving as you have coming in. You have the back door wide open. This usually indicates a lack of systems, internal marketing, and the ability to inspire the patients you have. It is black or white: You are either growing or you are not. This is one of the reasons I believe that every practice needs to invest in a coach: Someone to fine tune your practice and help you to the next level. You might say: You don't know what you don't know. Without exception, everyone needs a mentor. I would have to say that the success of my own practices was directly related to practice management coaching, meeting with a mentor, and hiring for attitude. Practice consulting is not expensive, it is priceless. It is the best investment you can make in building a successful practice.

- *Hygienists are producing $1100-$2500 per day unassisted*.

- *Hygiene department produces 33% of the total production of the practice*. Whether it is 1 or 10 hygienists, you should be seeing at least one third of the total office production from hygiene. If they

are not monitoring this they will be surprised at how easy it is to lower their overhead and increase production when your hygiene department is running on all eight cylinders.

- *60% of your day is filled with substantial cases*. A substantial case is anything that is about the fee of a crown. For Example: Your production goal is $5,000/day. If a crown is about $1,000, you would need to have 60% of $5,000, or $3,600 (3.6 crowns or their equivalent) booked each day to reach a significant goal. This is also true in hygiene, except the dollar amount would be different. A substantial case for hygiene might be quadrants of sealants, or soft tissue management patients, not normal everyday recall patients. 60% of their day must be in substantial cases also. Fail to do this and you are guaranteed to not make a significant goal for you and your hygienist. Your hygiene department should account for about 33% of your total production. Each hygienist should produce at least 3 times what they are paid.

- *Recall effectiveness of at least 80%* (Nationally you see the average general practice at 42%) Getting this ratio up will insure a healthy base in any practice. Statistically, you will find that 60% of your production will come from hygiene visits, not just new patients. Failure to have a healthy recall means you will not have great production. If you are not currently keeping an 80% recall, you are not inspiring your patients.

- *50-60% of your new patients come from direct referrals* from a patient of record. Practices that are not inspiring patients to refer find themselves "marketing" driven. As you interview and look at various practices, make sure that they measure this benchmark and are hitting it. A practice that does not monitor its internally referred new patients is woefully undermanaged. Marketing driven practices are paying patients to come in the door, and they are leaving just as fast. If a practice is not growing it is not inspiring your patients. In a

society that votes with their feet, you cannot afford to have a majority of your patients getting second opinions or not scheduling for treatment. You cannot get better at giving patients what they do not want. Change your direction and reap a new outlook for your practice. If you are constantly seeing the back of your patient's heads while they walk on down the street, you are doing it wrong.

- *98% or greater collection rate* (The average practice does 91%. This will not do.) Take the time to actually see how much money a 2-3% decrease in collections can mean on a yearly basis. You could easily pay off your school debt or buy a car for cash. Now multiply that figure over a 30+ year career. Now add interest that could be earned if it were properly invested. Staggering, isn't it?

- *Consumer hours*: 7-10am, 3-6pm, Monday-Friday, and Saturday hours. This is difficult without multiple doctors, but 9-5 Monday thru Thursday does not meet your patient's needs. Consumerism is a creed you need to adopt to prosper in any economic environment. Convenience is huge is today's practice. Patients show up where their needs are met. Just a note: As a soon to be graduate, you need to put on your "whatever it takes" attitude and make things happen. I am seeing far too many graduates with an attitude of entitlement. Loose it. It is show time now. Put up or shut up. Do whatever it takes.

- *A small incremental fee increase every January and July*. Inflation and the subsequent cost of operating a practice continue to climb. Make sure that the practice that you are considering reviews and update their fees on a systematic, regular basis. A usual scenario would be to compare your fees to our fee survey and place them in the 80th percentile. You would then raise your fees a couple of percentage points every January and July. This would offset the effects of inflation and cost of living. If you would like, I will be glad to supply you with a fee schedule percentile for your practice zip code if you

will just drop me an email. We pay for the software for our clients to help them maximize their profits. Email me at abernathy2004@yahoo.com and give me your mailing address. There will be no charge for a recent graduate.

- *Pricing: Keep comparables comparable*: Do the fee analysis. Try to keep your fees in about the 80th percentile. Consumers shop and price is important. As a note: An increase of 10% creates a 9% decrease in overhead. Over the life time of a practice, millions of dollars are lost from having fees that are 5% too low. The cumulative effect could fund a substantial portion of your retirement.

- *Production of $600-$750 per hour per Dentist*. There is a point of production that makes all the numbers work. If your hourly production is not in this realm, you are either practicing managed care, young and just building a practice, not enough new patients, or lack the confidence and competence to fully utilize a transition strategy. Keep in mind that this fist job is an opportunity to learn under a great mentor. Pick an average dentist and you will most likely adapt both the good and all of the bad habits of their practice. We push our clients to move from the above benchmark to the $1,200/hour.

- *A goal of 15% growth per year in productivity*. Growth is a sign of meeting your patient's needs. No growth means you are not inspiring your patients. Lack of growth means there is something drastically wrong. Managing a practice by the numbers to establish goals to insure growth and the proper overhead is the only logical choice. Insurance company statistics tell us that 97% of the population at age 65 will either be "dead or dead broke". Only 2-3% will become financially independent at that age. Failure to plan is a plan to fail. You must start from day one to lay out a strategy for financial success. No one else can do this for you. The one saving grace is that it is never too late to start. Even a doctor, who has

reached that age where they are closer to their "use before date, than their born on date", can make the changes to insure a better business strategy for their practice. You cannot discount a life with "choices". A secure financial future is the best choice you can provide for you and your family.

- *Production of $2,500/new patient*. (National average is $1,100/new patient) Just divide the monthly production by the number of new patients and this will give you a ratio of production per new patient, *not* production *on* each new patient. The $2,500 per new patient is a lofty goal for a great general practice, but is doable. Production over $2,500/new patient puts you in the realm of a boutique practice. From the perspective of a possible job, a boutique practice offers fewer new patients, and puts a greater emphasis on large complex cases. Generally this type of practice is driven by the personality, competence, and confidence of the owner, not necessarily systems. This is a more difficult practice to reproduce by a junior doctor.

- *90% case acceptance*. The "monkey score" is a case acceptance of 67%. The number one reason people do not have dental work done is that they were never told what they needed to do. Just tell them what they need and statistically 67% will say yes. Add in consumerism, and the scripts that Summit clients are given and it will always go up.

If you as a new doctor are considering an office with a buy-in potential you need to consider that you must be producing at least $40,000-50,000/month before you could consider a buy-in. Think of it this way. If you want to buy in and the investment is say $250,000 from a loan carried by the senior doctor or a bank, you must be making enough to service the debt. If you were doing $40,000/month in production in a 50% overhead office (the national average is approaching the mid 70%), then half or $20,000 dollars would be taken in overhead (It would be worse in a higher overhead

office). That leaves $20,000 for which you will owe about $8,000 in taxes leaving $12,000. Pay a school debt of $2,500 per month, pay the senior doctor or the bank around $4,000-$5,000 a month for the loan and now there is $4,500 left to pay all of their personal expenses. This just barely works. If the office you're working for is not striving toward a 60% or lower overhead, you will find it difficult to produce at a level that would allow you to service the debt associated with a buy-in or buy-out. It is always great for the senior doctor to think about what they will make in selling a portion of their practice, but they need to consider how they are going to be able to help you produce at or above $50,000/month. Consider that you may have to produce more than the senior doctor does monthly just to be able to service the note. This can be real sobering.

Job Search for the Right Practice:

As a soon to be dentist, you must begin your job search early. Most senior dentists will have hired an associate/partner well before midsummer. Many will have made a commitment in December before you graduate. Start early, research well and follow up with the doctors. Just keep in mind that the senior doctors you will run into will know less than you as to how to make a successful transition to multiple doctors. Most will be ill prepared to add another provider. You must be the one to assess the realistic success and actual readiness of any potential practice to add a doctor. It will be like a kid raising his parent. It will be subtle but in most cases, you will be the one with the knowledge.

Where do you start? Decide the area of the country you wish to practice. Do your demographic research and begin to make inquiries. In the text below, I have taken a small excerpt from my book written for the senior doctor. You need to hear what they will hear. You need to be where they will be looking.

Excerpt from "The Roadmap to Wealth and Security"

Now that the office is running smoothly, the overhead is under control, and the staff is involved in the decision making, you are ready for your trial partner. Where do we find them? I will give you a list but let's identify what we are looking for. I would have to say that out of a class of 100 seniors (3800 graduates every year); there are only about 10% who will make the grade for a good prospect. You remember dental school and how few of the students really had any business sense or sufficient clinical competence to graduate and begin to practice. I would also look at graduates that have had other careers and therefore are older as a good prospect. I even like candidates whose parents own their own businesses. They have seen how a parent frets over overhead and profitability. They have a realistic view of work, reward, and sacrifice. They know what it takes to run a business. By far the most important trait will be their people skills. We'll spend more time on this latter. Just realize that because they fog a mirror when placed under their noses, does not mean they are good prospects. Most of the young doctors you will interview will not be worth the time to offer a job to.

- ***State Dental Associations or Physician Seeker Listings**. For a fee you can have your opportunity listed in their national data base and publications. Any ad that you write needs to make mention of the ownership opportunity.*

- ***Ads in Dental Publications**. State publications as well as the American Dental Students Association publication work well and are inexpensive. The way the ad is written is more important than what you are selling. Take the time to write, re-write and review anything you send out.*

  Sample of ad:

  Growing practice in Muleshoe, Texas. $1,500,000 gross with 53% overhead. Beautiful, modern office in great location seeking a people oriented practitioner. Owner financed. Immediate opening for partner.

- ***Dental Schools**: Most schools have electronic bulletin boards that allow you to post your ad. I would also look at post graduate programs in General Practice. There is no fee for this and you would be wise to write the opportunity by keeping in mind what a young doctor is concerned about. Be sure and mention the pluses of your practice, staff, and community, the amount of compensation for the first year, the fact that a partnership is available, and the fact that you are a growing great practice with lots of patients.*

- ***Dental supply reps**. These folks know a lot of associates that are not happy where they are and want a change. This is great because they have some experience and can tell you what they did not like in the previous office. They will also be excited about the possibility for ownership in your office. Because most offices don't even have a contract with their associates, they could even bring some patients with them. The best way to do this is to offer a "bounty" of $500-*

$1000 for anyone you hire. Make it worth their time to really look and push candidates your way.

- ***Large corporate practices**. These are great places to troll for a trial partner. They have been so disenfranchised; they will think you walk on water. They have been cutting preps with the same bur from day one, never had the same assistant, and work 12 hours a day. Just walk in and grab all of the doctor's business cards and send them a letter.*

- ***Consider a local dentist who is tired of trying to manage his/her own practice**. This will work sometimes. This would not be my first choice but it is worth considering. Often time's dentistry, and especially the business end of it, does not play to the strengths of an otherwise great clinical doctor. Your expertise will complement their lack of interest in the business end of things. Just remember that small, poorly producing practices are not successful for a reason. It may be something that you do not want to become a party to. Perform due diligence and use the background check to be sure that there is nothing waiting to bite you.*

- ***Consultants**. Often time management consultants have doctors calling them for advice or information on a particular area. Offer to pay them something for any leads. The good thing about a consultant is that they are interested in both the seller and buyer. You will probably get a more balanced approach to the transition. They will be interested not just in the money from a sale, but the life time benefit of helping both sides with a successful transition.*

- ***Practice Broker**. Again, I would not go here first. They are going to charge you a 10% fee to do the transition. You can do anything they do, and does it better for less. This would be the last resort. Brokers will simply "list" a practice, advertise the practice, and attempt to locate someone willing to buy the practice. Money is the driving force of the deal. If a buyer displays an ability to pay for the practice or obtain financing, then that is the right buyer for the deal. Practice sales, not suitability, are a broker's primary concern. Brokers represent only the interest of the seller, and typically care nothing about the purchaser.*

- ***"Money-Under-Management" Companies**. Without mentioning names, these are the guys who are helping you invest your hard earned money. They do a good job of this, but when it comes to sales and transitions, their integrity and attention is for sale. It is common practice for them to charge at least 10% of the sales price to supply basic form contracts. They also will suggest financial institutions and even broker your insurance (life and disability) for your buy/sell agreements. What they do not tell you is that they receive a 2-3% marketing fee from the bank for the loan initiation, upwards of 50% of the commissions on the insurance policies, and write the contracts to be overly generous to the young doctor. I assume they figure this is the new kid on the block, and a potential new lifetime money-under-management client. Additionally, they will want all of the sales proceeds in order to manage this fund for your retirement. I had a client who had already started down this road. I asked him to just straight out ask about the commission and banking/insurance kick backs. They dropped him as a client and would not return his phone calls. Keep your eyes open, and your hand on your wallet. When asked by a*

dentist if his investment councilor from one of the top 2 firms that specialize in managing money for dentists was lying to him, I said "Were his lips moving?" The only thing they are interested in is the money. I guess the only good thing about them is that you know how they will approach every transaction: From a profit perspective. This is not always bad, but I would be careful in the selection of mentors in the sale of a practice.

- ***Doctor headhunters**. These are people who go thru hundreds of applicants to meet your criteria. They generally don't require an up-front fee, but do charge anywhere from $3,000-$8,000 or more for a successful placement. You should consider this because you have nothing to lose if they do not find the right person. Do keep in mind that many of the applicants from this source will be foreign students where English may be a second or third language. This may or may not have an effect on their integration into your practice, but be aware that it may take many candidates to find the right doctor to invite into your practice.*

- ***Craig's List**: More and more young doctors are communicating thru social media and technology. An ad placed in Portland yielded 12 calls from young dentists looking for employment.*

- ***Direct Mail**. This has worked great for us. Any dentist can be tracked and categorized by age and location. These lists are often available thru your state dental boards. They charge a small fee but you are given the address where their license is renewed and many young doctors working as associates use their home address as opposed to the address of the office they happen to be working at. As a demographic, I would want a group of doctors who have been out of school from 1-5 years. This should get most of the good prospects. The second thing you will need to do is craft a letter to send (samples to follow). The letter should be sent in a plain envelope with the recipient name and address and the return address hand written. I would also add "address correction requested" just under where the stamp goes. This will insure that if this is not a good address, the Post Office will return it to you with the correct address noted so that you can follow up. People open their mail over the round file. We want to get their attention and have they actually read the letter. The first sentence and also a PS will always be looked at. In addition to the letter I always included a page of photos of our office. It just puts a picture to your words.*

Sample Letter to Junior Doctors:

Dear Dr. Junior:

Imagine owning your own practice and partnering with a senior doctor who has a multi-million dollar track record. We will mentor you, carry the note so you do not have to come up with financing, and partner with you to insure your practice success.

For the last 30 years, we have built a super successful practice in "Any-town", Texas. Our office emphasizes comprehensive general family dentistry with almost every cosmetic, restorative, and surgical procedure done in office. We have recently begun the building of a new facility which will triple the square footage on about 1 acre and improve our location, visibility, expanded hours, and efficiency. We are currently looking for the right doctor to join us in taking our practice to the next level.

"Any-Town" has all the advantages of a small town living, with none of the negatives of larger cities: Unlimited growth potential, low overhead and cost of living, great schools, and safe neighborhoods. We're looking for a young doctor who loves dentistry and people. We have hundreds of dedicated patients and a well trained team ready to help you join one of the most successful practices in Texas.

If you are ready to own your own practice and become part of our Team, give me a call at 972-523-4660, or email me at xyz@yahoo.com and let's explore how I can help bring you to "Any-Town".

Sincerely,

Really G. Dentist, DDS

P.S. If you have a classmate, or friend that might be interested in this great opportunity, pass this letter along and have them contact me. We look forward to speaking with you.

***NOTE:** In addition to the letter, I always included a page with photographs of the office. I just laid out 7-8 photos and copied them on to regular paper: Just a collage of what the practice looks like. From a scientific point of view the photos with the hook of ownership activates both sides of their brain. This will guarantee a 46% better response on your outreach. We always hand address the envelope, put address correction requested under where the stamp goes to insure return with a good address, and we try to make the envelope lumpy (put a magnet, piece of candy, or something to peak their curiosity).*

At some point you will begin taking responses in the form of emails, phone calls and letters. Each candidate will be sending resumes and curricula vitae along with inquiries for the next step. I always like to organize my information on each candidate in a Prospect Profile Information file. It contains the following information:

Prospect Profile Information Sheet:

- *Name*
- *Address*
- *Contact information: Phones and email*
- *Education*
- *Languages spoken*
- *Monetary needs*
- *Practice experience*
- *Job history: This would include dental and non-dental work.*
- *Personal data references*
- *Special interests*
- *Family details*
- *During the interview process be sure and take a photo. This always helped the staff and me to keep applicants straight.*

When looking at applicants it is important to understand that a serious associate or buyer is one who is ready to follow through. Many recent graduates are justifiably fearful of striking out on their own. They want their own practice but don't really have the administrative, let alone the technical skills, required. A serious buyer also needs the financial resources to follow through. A young professional with large school debts is not as good financial risk unless they have financial backing. For the doctors looking at walking away, I would never carry the note. For those who are looking for a partner and are willing to stay around for the duration, carrying the note can be the perfect solution. It is normal to see school debt in the range of $175,000 to $250,000.

Now that you see how they will be looking, let me add a little trick for you. Keep in mind that 78% of all dentist practice solo. Most are not looking for an associate or partner. That does not mean they haven't

thought about it, but they are just not looking. They may be the best practices to work with in any area, so how do you find them. My suggestion would be to send a letter to every doctor in the target area you wish to live that has practiced over say 10-15 years. A list of doctors with any parameter you would like can be purchased from Dental Economics, or you're State Dental Association. In this way, they will receive a letter at their homes or offices addressed directly to the doctor. Here is how I would do it. Normal personal stationary that will be hand addressed and with a real stamp on the outside. Place just under the stamp, address correction requested. This will insure that it will be delivered or they will return it to you with the corrected address. Inside pen a letter with a picture of you and your spouse and starving children in the right hand corner. Begin by saying: *Dear Dr. Goodfellow. I am a recent graduate of …… My spouse and I are from the area and are looking to practice with or purchase a practice in the ……area. I love all forms of dentistry, go to church, have 12 children, will work 7 days a week for bread and water….If you have ever entertained the possibility of bringing on an associate or partner for growing your practice I would like to speak with you*. You get the idea. Give them your phone number and email address and get ready for the calls. You need to come across as naïve but confident, caring, hardworking with a "whatever it takes" attitude. Do this and you should be able to get in front of more doctors which will give you more opportunities. Take any interview that you can get. It is a process. The more times you interview and look at or study a practice, the better you will get.

Getting down to Picking the right Practice

Most practices will be ill suited to support more than one doctor. You should go out of your way to figure this out early. Look at the benchmarks: Good overhead, adequate facility, aggressive staff, the proper technology, at least 50 new patients per doctor and the ability to ramp up their outreach through already established marketing strategies. A systems review shows good profitability and recall in a great demographic. With all of this in place we need to look at what is possible for the practice to afford to pay you. While the going rate may be about 30% of production, that may not be possible. It is far better to look at the numbers and have a realistic idea of what the senior doctor should be able to pay. I tell senior doctors they should make 5-10% profit off of an associate. For example: If an office had an overhead of 60% and was going to pay the young doctor 30% then that would leave our 10% profit margin. In another example: If a practice had a 71% overhead they would actually go in the hole trying to pay 30%. There has to be a financial incentive for the senior doctor to maintain an associate relationship. If they are always scrambling to pay you at the end of the month and actually find they are taking home less with you there, the job will not last. Below is a formula to determine what the actual overhead for a particular office would be for an associate. Study this and do your own analysis of any potential practice you might be considering.

The Compensation Algorithm:

- Identify the average **net collections**
- Determine the average **operating expenses**
- Calculate your **present overhead %**
- **Add the additional fixed costs** needed to add a partner: Marketing, equipment, assistant, benefits, and any other additional staff.
- **Add a rate of return of 5-10%.** This is the passive income or profit you should make on any associate/trial partner. Keep in mind that if you pay 30% to the associate with a 70% overhead or higher, you have no passive income and in most cases are losing money.
- Calculate the **adjusted overhead.**
- Normal compensation should be **around 25**-30%. In our contracts, we recommend that you consider the 25% number. In a really great practice I would rather make 25% of a lot than 30% of nothing. This will make them hungry to finish the trial period and make more. It also makes it difficult to get associates to become a partner if they make a lot more as an employee/associate than they will as an owner.

(In this calculation I am assuming that if the associateship or trial partnership works out both parties might be interested in having the junior doctor buy in)

Why an Associateship or Partnership?

Now that you have an understanding of what type of practice will support more than one provider, let's start building your knowledge to insure success in your first job. Allow me to list all the great things that a Partner and Associate/Trial Partnership can bring to a practice.

- **More time off for the Senior Doctor.** Keep in mind that we expect this practice to be poised for growth and fully engaged in doing whatever it takes to makes this transition a success.

- **Someone else can do jobs that don't play to your strengths or interests**. In finding an associate we do not want someone exactly like the senior doctor. That would diminish the patients available to him/her and what the senior doctor does. We want someone to compliment the senior doctor. Nothing should be referred out. If you can keep the children, oral surgery, endo, sedation, implants, orthodontics in your practice, you will not need as many new patients to keep the both doctors busy. I call this "finding the Phantom Practice". The phantom practice represents the treatment the owner cannot or will not produce. It may involve any endodontic, periodontal, surgical, or other treatment modalities the owner chooses not to do. It can also include the patients that cannot be seen on a timely basis because the owner is already booked out too far. The only way the phantom practice can be realized, and the incremental income and profitability made real, is by adding another doctor to treat those "surplus" patients and those services currently not being performed in the office. You cannot expect to bring in a new doctor for associateship/partnership by splitting the already too few patients your practice attracts and expect anything but a catastrophe.

- **The value of the group practice model**. Cross referrals, peer consults, problem solving, and shared responsibility are all benefits of this model.

- **Provide passive income**. Every associate/trial partner should render the practice a 5-10% profit over what is paid to them. Passive income is money paid to the senior doctor without the owner having to personally do the work. This creates an algorithm that determines what you can afford to pay them. While most recent graduates expect to make a minimum of about 30% of collections, some practices may not be able to afford this. If the overhead is 70% or greater, the practice will be paying them out of the senior doctor's pocket each month rather than out of the profit pool. If a practice decides to pay 30% of collections and expect to make 5-10% profit on your trial partner, you would need to have a 60-65% overhead for this to work. If you enter a relationship that does not work on paper trying to create a profit, you are doomed to fail. That is why we always ask our senior doctors to share the real numbers and expectations of profit with the young doctor prior to having them start work. There must be a plan in place to control overhead and create a margin of safety in profitability.

- **Increase the value of the practice**. The value of the practice will increase due to the increase of production of the new doctor and expanded hours.

- **Keep more profit in the practice**. This would be from not sending out any procedure(s) to outside specialists.

- **Cross coverage and temporary disability coverage.** In a solo practice, a disability would mean the closure of the practice until the owner recovered. An associate would insure that the overhead, staff, and patients would be taken care of.

- **Built in buyers for death, disability, or retirement**. Every partnership will have a Buy Sell Agreement that would provide funds in the event of an untimely death or disability via an insurance policy paid by the

partnership. In other words, the surviving partner would not have to come up with the money and would then own the practice free and clear. This creates security for your family and heirs.

- **Extended office hours.** While we do not expect the senior doctor to necessarily work more hours, we do expect the office to be open more hours. For the first time in most doctors' careers the office will actually be open when patients want to come in. We are introducing "consumerism": Giving patients what they want, when they want it.
- **Decrease overall overhead trend.** Expanding hours will allow better control over fixed overhead costs that are constant whether you are working or not. The office will never have to close due to vacations or other time away.
- **Allow the senior DDS to retire over time.** Many of the senior doctors will find this to be the most attractive feature. They may be able to take that trip without fear of all of your expenses overtaking their productivity. Someone will be working even though they are out of town.
- **Able to delegate responsibilities.** Will allow the senior doctor to share the responsibility of managing and leading the practice. This insures full time coverage from a management sense during all hours of operation. I can remember the first time I realized that someone other than myself was actually concerned about overhead and whether or not we were making a profit.
- **Able to attract, keep, and motivate better staff.** More and varied hours allow you to attract a better staff mix. By driving down the overhead in various areas, you will be able to pay a more competitive salary to your employees.

How Can the Senior Doctor Cause the Partnership to Fail?

When we speak with senior doctors that have tried an "associateship" that failed, they always seem to think it was the junior doctor's fault. The young doctor was lazy, a terrible clinician, had a bad attitude, irritated the staff, and alienated the patients. While there may be some kernel of truth in the above statement, most of the blame can be laid at the feet of the senior doctor. Below is a list every associate should take seriously. You might want to share this list with the senior doctor and staff prior to starting work. Have the senior doctor and staff members look inward and consider if they are at a time in their lives and careers where these things will not trip you up.

- **Senior doctor's ego**: In bringing in a new doctor, the goal should be to have someone who is capable of being better than the senior doctor are. Better clinically, personally, leadership, management, and even better at inspiring patients. Get ready, because if this actually happens, a senior doctor will have patients that they have treated for 20 years saying they would rather see the young doctor. You never know how they will react until this happens. Just remember that the goal is to have such a great team that the patients feel comfortable with any doctor in the group.

- **Staff not involved in the decision making**. Over and over I see the same scene unfold. The staff is the last to know that the senior doctor is considering retiring or bringing in a partner. In my office the staff hired everyone. I interviewed the staff candidates and doctors, but it was the existing staff that made the final decision to hire or not. Involving staff in decisions affecting the practice will engender an ownership mentality in them. It creates a team spirit that is missing in most practices. One of the main reasons we averaged over 14.5 years per staff person was the staff ownership model. They were responsible for controlling overhead and boosting productivity. I consulted with them about every aspect of my practice. This will make all the difference.

- **Junior doctors believe that great practices have staff that always gets along**. Keep in mind that as an employee they will always compare and contrast what they see with their expectations. The shorter the

engagement or trial term the better. They need to become an owner while the "halo effect" is still there.

- **Lack of Flexibility**. Put on your "Whatever It Takes" T-shirt and make this work. When you consider the impact on a practice (and a practices' bank account) of a successful transition, there will be few decisions that are more important than making this work.

- **Lack of equal access to facility, staff, and new patients**. The senior doctor should be sure and get their head screwed on right and engage their brains before taking action. An associate is not there to make a senior doctors life easier. It was a business decision and the practice should carefully consider anything it does that might decrease its productivity as counterproductive. I see doctors who unknowingly sabotage their transition by being greedy with staff, patients, and facility.

- **No written contract**. The contracts should act as a matrix to create expectations which are in line with good business practices. Contracts protect you in the event of death, disability, or dissolution of your partnership. They are a safety net when it comes to business. It defines what you can and cannot do. It helps you focus on the important issues before they become a huge problem.

- **No written expectation and philosophy**. While your partnership contracts construct the framework for your business, you must go further and have each of you put into a written document your expectations and philosophy.

- **The last item concerns how the Trial Partner can cause the process to fail**: Ignoring practice policies, having unrealistic expectations, unwillingness to accept advice and/or constructive criticism, not devoting sufficient effort to building the practice, and not supporting the staff when they confront the owner are all pitfalls for the young doctor.

Check list:

- Determine area of country I wish to practice: It should be based on choice of area but also include a thorough search for demographic information to make sure it is a workable location, many are not.

1. **Demographic Search:** Go to www.zipskinny.com and put in an areas zip code. Demographics make a difference and ignoring a specific location and its unique circumstances seems a little crazy. So are you there yet? Look at the column just below and to the left of your zip code. It is titled "Social Indicators". It will describe educational levels, marital status, and stability. The higher the educational levels the more utilization of dental services there will be. A 94% or higher high school graduation rate, and a 40% bachelors or higher would be ideal. Lower than that doesn't mean the people are not great, it just indicates that there will be a diminished demand for certain dental procedures (C&B vs. bread and butter general dentistry). Marital status and stability numbers indicates whether your particular part of the country is more nomadic or a very consistent about people moving in and staying. A 25% stability number means that a quarter of your population moves every year. That means that to just stay even, we need to attract at least 25% of our new patients just to replace the ones that moved last year. If a greater percentage movers will require a larger budget in order to reach each customer. They move in and then move out. It will take more dollars to reach the reachable in a shorter period of time. The more stable the population indicated by a higher percentage of people remaining in their current locations is a real plus. Now slide to your right and let's look at Economic Indicators. Median household incomes are particularly important. The average income in the US by household would be about $35,000-$40,000. Keep in mind the cost of living in your area. Forty thousand wouldn't go far in California, but in parts of Arkansas you could be the richest man in Babylon. It makes a difference. This income is for the household, not the individual. You need to consider that the income level may represent what can be spent by two adults and a couple of children. How much and what type of dentistry will a household with an income of $40,000 be able to do? It will not be full mouth rehabs and a lot

of elective cosmetic procedures. It will be basic bread and butter general dentistry consisting of oral surgery, fillings, single crowns, and orthodontics. Keep this in mind when marketing. In any practice you look at, their marketing, hours, fees, staffing needs to reflect their demographics. Pushing things through marketing that do not appeal to this particular audience limits the percentage of patients this information will be valuable to. Doing this is like trying to get better at giving patients what they do not want. One last thing in this area. In green you will see the percentage of population at or below poverty line. When you exceed the national average of 4% you are faced with a challenge.

Drop down to the next level in the web site on the far left called Demographics: Race. In Texas where I am from it is not unusual to have a Hispanic population of 25-30%. The higher the white population, the higher the statistical utilization of dentistry. In most parts of the country economic diversity is the norm. You need to keep in mind that a practice and its marketing need to reflect the race demographics of the population surrounding your office. If you had a significant Asian or Hispanic population you would want your staff and marketing photos to reflect that population demographic. If Spanish was spoken, you would want staff who could converse fluently with your patients.

Slide to the right and look at median ages of the population. Boutique practices or practices that do primarily C&B need patients in the 45-65 age bracket. If your demographics indicate a median age of 32, you can be sure that they will not need loads of scaling and root planning, implants, C&B. They will need bread and butter dentistry that is delivered Monday through Saturday. Just a note: Sedation dentistry, implants, full mouth “make over’s”… are not growth markets. Yea, 15 years ago a “cosmetic dentist” was a unique situation. 10 years ago sedation dentistry was a selling point. Today, we have insurance companies, and marketing from every dentist in town, telling the public that a crown is a crown. Every doctor is touting sedation procedures and cosmetic competence. I know this is not true, but the public is being told that every dentist can do every

procedure. Bad news is that the public is buying it. If insurance companies can finally convince the public that a crown is a crown, the public will logically choose a provider based on cost. In other words, if a crown is a crown, one should just find a dental office close to them and have them do it. This does not bode well for practices that continue to try and buck the demographics and go on their merry way of pushing procedures that patients do not want at times they will not come in for, at a price that will not fit their budget. Make sure that you or the practice you are considering is making decisions about practice strategies and marketing based on fact, not fiction. If you have started down a path of a practice that is not growing, they are not inspiring their patients, and you need to reassess your direction before it is too late. Change your mind or consider another location. There are only two choices. Staying the course is a slippery slide to failure. Let me make this perfectly clear. Practices should do sedation, implants, orthodontics and any other procedure they feel qualified to do, but you must also take into consideration that most of the folks around your office will want other simpler services also. Before we finish on age demographics, look on the percentage of the population below the age of 30. For most of you, it will meet or exceed 45% of your total population. Are you willing to turn your back on such a large percentage of your population? If you are looking at a practice that has been in the same location 5-10 years, adding a doctor to service that segment of your population may be the perfect ticket for growth. If you can convince the older doctor to widen their demographic appeal, you should see their new patients and profitability sky rocket.

- www.aftco.net: Go to this web site and on the far right of the home page is a title of "Resources". Click on it and a drop down panel appears. Click on "Dentistics" and then enter you zip code. This will give you the ratio of general dentist to patients. As we already discussed, you need about 1:2000 to make a go of it. What I see, is that older practices are just barely making it, and decide that you, the associate, is the perfect strategy to pull their practice out of a tail spin. This is almost always a red flag. High

competition means few new patients, and an uphill battle to reverse that trend. Few older doctors are willing to spend the money and time, much less to have the expertise, to change the personality and management style of the practice to reflect the current demographics in their area. If you see a poor ratio, consider moving on.

- Send out personal letter to all doctors in area
- Inform dental suppliers of your search
- Sign up with a head hunter
- Go online and look at the nearest dental school postings
- Show up for interview
    - Spend time with the staff
    - Ask for the numbers: Use the benchmarks as a comparison
    - Sign a Non-Disclosure and Confidentiality Agreement: I have included one below that you are welcome to copy.

STATEMENT OF CONFIDENTIALITY AND NON-DISCLOSURE

By and Between

Buying Doctor and any Selling Doctor.

Both Selling Doctor (Seller) and Buying Doctor (Buyer) (Buyer and Seller together represent "Parties") each acknowledge that Seller shall furnish Buyer with confidential information relating to the business affairs and operations of the practice currently owned by any selling doctor.

Buyer agrees that the information and documents disclosed to him/her are private in nature and shall remain confidential. Buyer further agrees that the disclosure of any information or documentation with respect to Seller's practice would cause irreparable harm and damage to Seller's practice and agrees that he/she will not disclose to any person, firm or corporation any information or documents, which the undersigned shall require regarding the practice, except for his attorney, accountant, or advisor, without the express written consent of Seller.

Buyer agrees not to contact in any way any employees, vendors or other affiliate of Seller's practice without first obtaining express permission from Seller. Buyer also agrees not to divulge to any employees, vendors or other affiliate that Seller's practice is for sale.

Facsimile transmissions: Both parties agree that facsimile transmitted documents and the signatures thereon shall be considered as binding.

_____	_____
Dr. _____ (Signature)	Selling Dentist (Signature)
_____	_____
Dr. _____ (Print)	Selling Dentist (Print)
_____	_____
Date	Date

- Obtain the last 3 years tax returns

    - Run all year to date data that their software allows.

- Do background check on doctor on state data base for any possible legal or criminal lawsuits or state board action
- Obtain information on the city from P&Z, city planners, and any commercial marketing that the city has
- Look at all the offices within a 5 mile radius of the office you are considering. If possible, go by and get business card and look at their websites. You are getting an idea of what this office competes with.
- Run the algorithm, to figure out what this office can afford to pay you.
- Feel free to give me a call. If you have a question or just want to discuss a possible possibility contact me. Michael Abernathy: Cell 972-523-4660 or abernathy2004@yahoo.com

WHY ASSOCIATSHIPS ALWAYS FAIL

Probably one of my best and worst traits is my inclination to approach a challenge with the mindset of: Ready, Fire, Aim. I guess I always figured that making no decision, was worse than making the wrong one. You never fail, if you get up and keep going. I just made sure if I failed, I failed forward. It is said that an expert is just someone who has made more mistakes than anyone else in that field of endeavor. If this is true, Michael Abernathy DDS, is an expert at transitions.

With this in mind, and with over three decades of practice, and numerous personal transitions in practices I have owned, and hundreds of transitions with our clients, I would have to say, getting it right the first time feels a lot better. You may not learn as much, but it is far more profitable and efficient. There is a myth in our profession that is taken as true on face value: You should grow a practice to a particular production point, and then bring in an associate to work with you. Sounds logical, sounds like a good financial strategy, but it has a major flaw. Associatships always fail. The average associate will leave between 12-24 months. So if success is having them stay an employee, associatships always fail. They fail even if you *actually get someone to stay*. We went to dental school in order to own and control our own practices. It was not our vision to work for someone else for the rest of our careers. If you think about it, if you found someone to stay an employee for four or five years, you probably have the wrong doctor. You want someone with an "owner" mentality, someone who wants to increase production, attract more patients, and lower your overhead. This will never happen with an employee. They will always wonder why their schedule is not full, why you're not doing more to get them busy, they tend to arrive late, and leave early. Without a fire in their belly to gravitate toward ownership, you will never have the right doctor, your overhead will go up, and your production will falter.

Below you will find all the reasons that Associateships will always fail.

- **It is not the vision of every DDS to work as an employee for another doctor for their entire careers**. The good ones will work just long enough to set aside enough money to open their own practices and create choices for their future. The wrong choice will stay and act as an anchor to practice growth.
- **Associateships do not attract top candidates**. The best candidates are ones interested in a partnership and ownership potential. Remember that the interest will be strongest in the first 6-12 months. After that they will be looking for another opportunity somewhere else to either partner or buy out an existing practice.

- **There is not an inexhaustible supply of new patients.** (The senior DDS is responsible to bring in these patients) Very few practices have the sufficient number of new patients (40-60 new patients per doctor) to keep another doctor busy. These new doctors will have the tendency to produce far less production per new patient than the senior doctor. You will need the expertise to ramp up new patients through expanded hours, increased budget for effective marketing, and you will need a consultant to help make the transition go smoothly.

- **It's all about timing**: Too soon hurts your productivity and momentum, and too late hurts your staff. If you have read or heard me speak, I always describe a very predictably curve in the life of a practice: Survival, growth, plateau, slow down, and sell out. The ideal time is to bring the doctor in is at the top of the growth curve or no later than the first portion of the plateau.

- **Nothing to walk away from: No payments**. The sooner a young doctor buys in, the sooner they have a vested interest in becoming the owner they need to be in order to create a successful practice. Without the pressure of "responsibility of ownership", they will float thru work with little direction and become a liability to your production and overhead.

- **Creates increased overhead.** Most transitions do not decrease overhead. Associates do not decrease problems; they magnify existing problems and create many more. Once you see, you made one of several mistakes in the contracts, scheduling, pay percentage, duties, staff involvement it usually ends in failure and firing the young doctor. This is where knowledge and experience costs you nothing. Paying for guidance will be the best investment you could make.

- **Senior DDS doesn't understand the staff owned practice model, and is not poised for growth.** The decision to bring in another doctor cannot be a burnout strategy. In my book, The Roadmap to Wealth & Security we outline how to position your practice for a successful transition. We are finding that doctors that embrace our tenets and follow our formula have

over a 90% success rate. A far as the staff owned practice model, I have always treated my staff as "co-owners" in my practice. They even had final say who became partner, who we hired, and were intimately involved in overhead, and production strategies. I am sure that this philosophy led to having the average staff member stay in our practice over 14 years, and consistently having an average growth of 15% a year for over three decades.

- **The Owner must be fully committed to the practice: Must not see associate as a means to have more time off or someone to dump unpleasant patients on.** This happens far too often. Hiring someone to do this insures a revolving door of associates and staff with little or no uptick to productivity or overhead control.

- **Timing is everything**. Every associate relationship should really be a "Trial Partnership". You should be so committed to this strategy that anyone you hire should be looked at as a potential partner. From the start they have the "ownership" mentality, not an employee mentality.

- **Feels like they are paying for something they helped build.** If you hire an associate and latter decide to ask them to buy in, you will run into a common hurdle to ownership. Every associate that is being considered for partnership should be given the amount or formula for a buy-in on day one of their employment. Fail to do this and you have decreased the chance of success by 25%. If you latter decide to offer them a buy-in based on the cumulative production of you and your associate, they will feel that they helped build it to that higher production number, and that they are in essence paying for their own success.

- **The Associate does not adapt to policies of new office.** This is the one and only reason an associatship fails, that is attributed to the associate. You can make a mistake on hiring. I have never felt bad about "freeing up the future" of an employee. I have only felt bad about waiting so long to do it. If you find that the associate does not adapt to policies or the philosophy of

the practice, cut them loose and cut your losses. Procrastination is overrated.

A Check-list Before You Graduate

As a senior there are a few things you should try to check off your to-do list before graduation.

1. *Work in dentistry before you graduate*. Work a Saturday for free cleaning instruments and hanging out. You need to learn the realities of our profession. There is conflict, stress, and confusion as well as just dentistry happening in a practice. Knowing this is important before you begin a job search.

2. *Take a dental education course*: Clinical, sales, practice management. Most continuing education seminars have discounted fees for students. Take one that includes information that you will not get in dental school. It is important to have a world view before you graduate. This will increase your confidence as well as competence.

3. *Develop people skills*. It is the number one determinant of a successful practice. Your patients know nothing about what you are doing. They do know whether they like you and this, and only this will grow your practice. I would say my three nights a week waiting tables was the best experience I ever had in propelling me to a successful career. I had 30 seconds to inspire my customers and insure a good tip. Mess up that first 30 second contact and I made nothing.

4. *Learn to set goals*. Call or email me and I will send you an article on exactly how successful people set and attain goals. They need to be specific, written, with a date for completion. Bottom line: Goal setting is not just to obtain a particular goal; it is to become the type of person it takes to obtain a goal.

5. *Learn to embrace change*. It's true of older doctors as well as recent graduates. If you are done with change, you are done. After over three decades of practicing, the one constant since 1974 has been change. Different strategies, clinical skills, instruments, human resources, finance… You get the idea. You need to commit yourself to constant and never ending improvement.

6. *Develop character*. Tell the truth, do your best, admit when you are wrong, and make it right.

The Following are a selection of articles that I have written and might come in handy in your pursuit of excellence in Dentistry.

7 THINGS EVERY NEW PATIENT SHOULD EXPECT

Not long ago, I received a marketing piece that listed 7 things every new patient deserves. I would like to expand on this with my own list.

We all spend money on branding our practices and trying to attract new patients. With varying results, I hear doctors complain about this strategy or that. They get less than a 1% response from direct mail and they are upset. 1% or less is normal. Our potential patients are fast becoming desensitized to any type of marketing, so it's not surprising to see that the "tried and true" marketing strategies are beginning to wane. That is why every new patient is precious. We must treat them like the potential gold mine they are. Look at them with the idea of what they would spend in a lifetime in your practice.

We have to really exceed their expectations and give them more than they expected. These 7 steps will do just that. If you are looking at your return on investment for your marketing don't look at the number of patients who schedule. Look at the number of patients that call. It is not the fault of the marketing or marketer if you drive people to call, and because the person who answers the phone doesn't come off as caring, compassionate, and competent, they don't schedule or schedule and never intend to keep the appointment. Most offices have a front desk person who creates reasons and hassles for the patient not to schedule. Doctor, you didn't even have the opportunity to mess up the relationship by running late, over charging, bullying or confusing the patient.

1. Before the first visit…I am assuming you have come off caring, compassionate and competent by being open consumer hours, with an easy to get to location with a product the new patient wants to buy and systems to handle the intake of a new patient. The patient has made the appointment, you have their name and how they can be contacted (which may not be a cell or work number), and a mailing address. Be sure to confirm the appointment with a welcome letter and a New patient package. We generally will do this by mail and/or by email. The package contains: a letter from me the doctor, a brochure, appointment card with map, newsletter, and health history form. The health history form can be completed on line prior to their visit. This form goes automatically into the new patients file, where if done on a written form creates more work for the front desk by needing to copy it into the patient file. Obviously we encourage the patient to do this on line. The idea being that if filled out prior to the first visit, the patient will not have to spend as much time in the office leading up to bringing them back. We have the "new patient" package already made up by a part time student who does small jobs after school. We make sure the new patient receives the packet prior to their appointment. It is much easier

to do in digital format. In addition to the paper work, we usually include a small gift of a magnet etc.

2. The pre-op call…We all know how important the post op call is patient relationships. I've taken it a step farther. I had 2 younger partners, with the emphasis on younger. While I still did the lion's share of production, I realized they were creeping up on me. I may be old but I still have my pride. I was looking for a way to make sure I could still out produce my partners. This is what I came up with. I would look at the next days schedule for hygiene and would write down the name and phone number of all the new patients. Right after work I would call they with a "pre-op" call. I would just say: Hi. This is Dr. Abernathy, and I was just calling to see if there was any question or anything I could do to make their appointment tomorrow more comfortable. Basically just "welcome to the practice, see you tomorrow call. The patient shows up the next day, the light goes on to check the hygiene patient and the 2 younger doctors race in there to claim the new patient. The patient's response was always: Would it be alright if doctor Abernathy checks me? It took those doctors almost 2 years to figure out what was going on. The neat thing about this is the patients seemed to be less resistant to my recommendations and never seemed to cancel. Remember, the Doctor must do this.
3. After the first visit…I always call the referral source. In my practice 80% of the patients were referred by a trusted friend. I wan to encourage that action to happen again, and again. Reward what you want repeated. At the end of this article is a copy of the letter with a gift of $50.00 to any dental treatment they would like and a copy of our "care to share" program. The second letter goes to the new patient. It is hand written on my logo designed stationary. It just says how glad I was to meet them and thanked them in advance for referring their friends and neighbors. I **never** used pre-printed cards.
4. After the Case Presentation appointment…This usually occurred during the first visit. We always made sure the patient walked out with: A copy of the financial policy, the patients treatment plan, brochures covering the treatment recommended, photos of the areas of concern, fees, treatment plan, and an appointment card

(Again, we always recorded how they would like to be confirmed. We never assumed it was their cell, work, or home number. We wanted to know how to reach them the day before the appointment. We also used "smile reminders", an internet based messaging system that automatically notified the patient.)

5. When treatment is completed…Following the final treatment I always sent a thank you letter with a post op photo for cosmetic cases and another copy of our "care to share" program with 2 business cards. You have to continue to encourage referrals.
6. Keeping the patient happy, informed and loyal…We send all of our patients a newsletter 4 times a year to constantly keep in touch with them. Each letter, or newsletter has a "address correction requested" typed beneath where the postage goes. This allows returned mail to give us the patient's current address. We also send birthday cards and special occasion letters to our patients.
7. Enter the new patient into the recall system…The real benefit of marketing is not just the patient that comes in for an offer. It is taking that patient and turning them into a referring machine. In doing this it becomes even more important to maintain an active recall system of loyal patients. Please feel free to give us a call and let us describe our "recall magic" system of perpetual patients. The "Whitening for Life" program is a great way to encourage your patients to never miss a recall appointment. We guarantee all of our work. This offer hinges on the patient not missing a normal 6 month recall. Give your patients a reason to stay in your practice.

Recall

I just received a call from the front desk staff member that worked for a long term client. She wanted to know how to improve her recall for hygiene. They were using Eagle Soft, and the doctor wanted to know what reports to use, and if they could improve their recall strategy. This front desk person had worked

here 2 years and was following the directions of the previous person who occupied her job. They were pre-booking 90 % of their hygiene patients and then using the computer to generate recall cards at the due date, and if they failed to show, they would send another card at 1, 2, 3, and finally 12 months. Guess what: *Very efficient but terribly ineffective*. They were doing everything wrong for the right reasons. They had a strategy, but it just was not working. At this time in dentistry we can ill afford to spend time and energy doing things that do not yield the results we want. They were doing what they always did. We have to go to a *results based strategy*. If we can get the result that we want, then we are operating the correct strategy.

Let's start from the beginning. She asked: "What reports should we run?" Answer: Only the ones you use. Don't assume that just because your computer is capable of rearranging numbers into countless reports that you should print or try to use them. Always begin with the end in mind. What are you going to do with the report? You may find that a computer might not be the best go to strategy. Maybe in this case we need a little old school as well as advanced technology.

Let me give you the answer by the numbers:

1. **Pre-book at least 90% of your recall patients**. It is best to do this chair side if you have computers in the operatory. Who best to re-schedule the patient than the person who just worked on them? It may take longer or shorter amount of time for the next appointment. It eliminates one hand off when dealing with the patient and therefore will eliminate one possible error.
2. **Only pre-book 70% of any day in the future**. We need that 30% of open appointments for new patients and follow up treatment like soft tissue appointments. Nothing is worse than working with a patient to understand a soft tissue problem, and have them accept treatment recommendations, only to find that you cannot see them for 4 weeks. You tie urgency to the treatment and now you cannot get them in quickly. Boom: Cancelations and No-Shows sky rocket. Another reason revolves around marketing for new patients. You spend all that money and they call to make an appointment and you do not have a place to put them for 3 weeks. More Ca/NS. We

cannot be productive in hygiene by just having 8 recall patients per day. We need room for substantial cases like quadrants of sealants, soft tissue management cases, and impressions for TAP and snore guard appliances.

3. **Understand "peak demand times".** Capacity is being able to deliver a service when the patient wants to have it delivered. Any front desk person can tell you that patients want to come in early or late. About 7-10 AM and 3-6 PM. We call these peak demand times. Those are everyday during the week, Monday-Friday (Not Monday-Thursday). You can also add all day Saturday to the list of peak demand times. Monday, Friday, and Saturday are your best days. No one wants to start the week with a toothache or go thru a weekend with one. Everyone wants to come in on Saturday, so they won't have to take off from work, and expose themselves to the risk of another layoff. This is "consumerism". With this in mind, when we pre-book our patients of record, we should try to encourage them to take non-peak demand times. These patients already love and respect you. The new patients do not have this trust or bond to the patient. If you use marketing to attract new patients, you must have peak demand times open. No peak demand times, no marketing.
4. **Use the Hygiene Report Card to create more value to the hygiene appointment**. It is not just a cleaning. This card, developed by hygiene consultant Annette Ashley Linder, goes a long way to helping patients understand what is done during the appointment. It is included below for your use. Keep in mind that we are not keeping this in our records. It is given to the patient to take home in order to create a better understanding and appreciation for the value of a hygiene appointment. I have included a copy of the Hygiene Fitness Report below:
5. **Have the patient address their own hygiene recall card in the operatory while waiting for the doctor to check**. Every one opens their mail over the trash can. When they see their own handwriting they are sure to stop and look at what it is. At least it will be read.
6. **Use oversize cards for recall**. The larger the better: Less chance of being misplaced or slid into a magazine or other mail at the post office.

7. **Address correction requested**. This should be printed under where the postage goes on any mail used to contact your patients. This will insure that if the patient has moved and forwarding mail has expired, they will return the card or letter with the correct address. How stupid is it to keep sending correspondence to someone who does not reply if you do not even know if it is reaching them. This assures you have an updated patient address. If they have moved, stop sending the cards. If you have the incorrect address, change it.
8. **Have the hygienist write a personal note to the patient on the recall card at the same appointment.** Six months later they receive the card and can't believe that the hygienist actually remembered about their niece and cheerleading. See, they think the note was added two days before the mailing. This will go a long way in eliminating CA/NS.
9. **In the above example: Go ahead and let the computer generate oversized post cards for month 1-3.** You still need to have the address correction requested on the card.
10. **If they have failed to respond to the recall cards, you will need to craft a reactivation letter.** The letter should be in an envelope with only your return address on it, and address correction requested (not your practice name). It should be hand written (they will open this before a typed letter address). The letter should be crafted to reactivate a lost patient. I would include an offer that would be impossible to ignore. Something like a cleaning, x-rays, exam, and consultation for $50-$60. You need to tell them that you know what a financial challenge the economy has been, how difficult it is to stay on budget, and just outline that it has been _____ months since their last cleaning and at that time they needed _____. You need to mention about how much worse putting off treatment can be, and close with the offer. Sign the letter and place a PS that says something about: If you still feel like you cannot budget you dental care, at least come in and let us take a couple of x-rays and do an exam for $1 so you do not let anything get out of hand. The only other thing you can do to make the letter get opened is to make it lumpy. I once put a peppermint in the letter and started off by saying "Here's a sweet deal". We need to be very proactive about getting these patients back in the fold.

11. **Tie urgency to any treatment and do a great handoff to the next staff member.** Whether it is hygiene or doctor treatment, we need to perfect a script that ties urgency and importance to the recommended treatment plan.

Always keep in mind: You can't get better giving patients what they do not want. If you are not growing (increased CA/NS, and decreased NP, and Doctor and Hygiene production is down) you are not inspiring your patients. Your systems will ultimately determine the number and variety of patients you will be able to inspire. Nothing is sacred when it comes to systems. Everything needs to change and keep up with current conditions. Make changes to get the results you want.

10 STEPS TO DRAMATIC INCREASE IN PRODUCTION

1. **Set a realistic daily goal.**

- Determine what your average daily production has been for the past 3 to 6 months. Add the production together and divide by the number of days worked.
- A goal must be determined with involvement from all staff members. Goals that are set only by the Doctor will not lead to group commitment. Ownership is important in setting goals.

- As a group, discuss and agree on an increase that is feasible but is challenging.
- Count the number of days available to work in the month and multiply the new daily goal. This is the new goal for the month. Remember that you will be raising your fees every January and July to offset the cost of living (4-6%) each year. We need to compensate or remember that your production would increase just from this fee increase if you did what you did last year. A reasonable goal would be in the 15-20% range with no increase in staff or overhead in addition to the yearly fee increase.

2. **Record the goal (without the $ sign) at the top of each appointment book page.**
    - This will be a reminder for the Appointment Secretary to keep a running total as the day fills by entering the fees for each appointment and to schedule keeping the goal in mind.
    - Included at the end of this article is a reproducible goal planning sheet along with instructions for its use.

3. **Determine the number of Substantial cases needed to make the day and pre-block them in the appointment book.**
    - A substantial case is about the fee of a single crown. How many "substantial cases" (PVC or its equivalent) have you done lately to maintain your average production?
    - Approximately 60% of your daily goal should be in substantial cases. It is impossible to make a reasonable goal with having this many substantial cases.
    - How many more "substantial cases" do you need to meet your new monthly goal on a daily basis?
    - Fill in around these with smaller procedures. One way to prevent your schedule from becoming blocked, is to not pre-schedule seat appointments. We only pre-scheduled seat appointments for large anterior cases. Not single crowns, small bridges, or limited number of single seats. The patient was told that the minute the crown or bridge came back, we would call and get them right in. We would try to avoid giving them the option of coming in during peak demand

times (7-9 AM and 3-6PM). If you can't seat a crown in about 5-10 minutes, your using the wrong lab. Substantial cases are our "bricks" that make up our schedule. Everything else is the "mortar" that will fit around these substantial cases.

4. **Determine the number of restorative hours and seat appointments needed to meet your goal. The remainder of the day will be filled with miscellaneous procedures.**
    - Based upon how long your need for particular procedures. Try to do as much as possible with the patient on each visit. As you can see, clinical speed can hamper your ultimate productivity. Be sure you have a 10 minute increment schedule, not 15 minute. Just changing from 15 to 10 can net a 12% increase in productivity. If a standard cleaning appointment is 60 minutes or a single crown prep takes 60 minutes, try and cut it down by 10 minutes. Your productivity per hour will dramatically increase. Even more important that 10 minute saved on several appointments may allow you to fit in one more procedure a day. If it were a crown at $1000/crown, you would net an extra $200,000 for the year in profit.
    - In addition to not pre-appointing crown seats, don't schedule too many each day.

5. **Purge your charts daily to help fill the appoint book and meet the Substantial Case requirements.**
    - Find patients with outstanding diagnosed but as yet uncompleted and unscheduled treatment.
    - Each staff person will evaluate only "one" chart in the file per day. Even the doctor and hygienist should do this.
    - Use a Purge Information Sheet attached to a clipboard which is placed in the files after the last patient chart "purged" to mark the point of progress. Included at the end of this article is a reproducible "purge" sheet and a "call" sheet. Copy them and start using them today. Who better to call and reactivate than a previous patient who knows and trusts you.
    - Call all patients with incomplete treatment and schedule.

- If necessary, invite patients in for a quick check at no charge. Re-motivate when they are in the office.
- Don't forget about those patients who have missed their hygiene recall appointments while in the "purge" process.

6. **Report the following during a brief morning meeting with all staff. The morning "huddle".**
    - Did we meet our daily goal yesterday?
    - Production scheduled for today – will we meet our goal?
    - How many Substantial Cases are scheduled for the next five working days?
    - If you are below the number needed, everyone is responsible for looking.
    - Check for cancellations and use the Summit Ca/Ns system to correct any openings.

7. **Create a sense of urgency to encourage the patient to schedule within a five day time frame.**
    - Motivate the patient to set up an appointment as quickly as possible.
    - Never, never, never do insurance pre-authorizations. Fact: 70% of patients who do not schedule and you send out a pr-authorization will never come back. Insurance count on the fact that the reason patients accept your recommendations is an emotional decision, and if you pre-authorize the claim, 70% will not follow thru. That is how they make money. Don't do it.
8. **Identify the Potential Treatment each day by going through the day's charts. Pull from his source if you are behind goal and when cancellations occur.**
    - It is necessary to have a comprehensive Treatment plan in each patient's chart with signed financial arrangements.
    - Be sure to consider patients on the days schedule for hygiene recall who my need other work completed. We keep an up to the minute "needs" schedule in the sterilization room so every one is working on the hygiene and doctors schedule to have a full, productive day. Remember: I always want an extra operatory that I don't have

scheduled in order to fit in one more procedure a day and be able to offer same day service for productive cases or simple fillings

9. **Graph your production weekly for constant awareness. Raise your daily goal when it is easily achieved. I prefer that weekly production numbers be kept by hand. Every producer, both doctors and hygienist keep their individual graphs and they are posted in the break room where every one will see them. By doing this you will create an ownership and a healthy competitive spirit.**

10. **Celebrate when you succeed.**

Leading, Allowing, Encouraging

"Whatever you allow, you encourage." That is one of my favorite quotes about leadership as it relates to a dental practice. Let's take a minute and talk about leadership. This is what separates winners from losers in this business.

Ever wondered why your staff don't seem to do what you want and need them to do? Actually, we've all been here at some point. Leadership is all about influence and inspiration. It's showing people by your actions what's important to be successful at your dental office.

If customer service is supposed to be important at your office, but you complain about a patient in front of your team, or don't get back to clients quickly, what have you just done? You have just shown your team that customer service really isn't that important at your office. When you don't take the time to share good news and bad with your team, or you don't recognize an incredible, new patient that one of your staff just referred, what have you just done? You have just shown communication, and your staff really aren't that important in your dental practice.

Too many of us are constantly searching for new, great ideas with which to improve our practices, and attract new patients. We think new software will save the day, or a new piece of equipment will enable us to make a ton of money. Yes, they can make a difference and they are important, but success in our small businesses is rooted in our people and your leadership.

The behaviors you don't want to permeate your organization need to be addressed and eliminated from your culture. If you want to win in dentistry, you need good communication, a culture of accountability and good leadership. Let me make a suggestion to you: Go buy John Maxwell's "21 Irrefutable Laws of Leadership" and read it.

The first law, and my favorite, is the **Law of the Lid**. Your leadership is like a lid or a ceiling on your organization. You dental team, cannot rise beyond your ability to lead. People often think if they just work hard, they'll find success. Yes, you may find a little success, but the rest of the people on your team will not. The key is to develop others around you to take the lead. This is what allowed some to the best dental practices in the US to get where they are today. They are entire practices made of leaders.

We all would be well served to pay very close attention to our actions more so than our words. I firmly believe a leader shows what's important to them by what they do, more so than by what they say. If you want 2010 to be a success, I think you need to focus on leadership in three specific areas.

1. **Production:** We have to have dental patients and treatment to make a dental practice work. What are you going to do to get things headed in the right direction? Are you finally going to be open consumer hours, not Monday, Tuesday, Wednesday, and Thursday? Are you going to look at the competition and demographics of your area to modify your marketing? What about bringing in a partner or another hygienist? Will you do whatever it takes to increase your production?
2. **Customer Satisfaction**: How many clients are you going to inspire to increase direct new patient referrals? What investments are you going to make in order to help your team to offer better customer service? Are you going to be known as the best office in town? Communicate the goal, hold people accountable to those goals and lead the way.
3. **Profitability:** What costs are you going to cut? Is this the year you implement all of the Summit strategies for overhead control? Will this be the year that you take home a 15% raise because you lowered your overhead to 55%? Communicate the goal, hold people accountable to those and lead the way.

Conclusion

Leadership is what separates winners from losers. I told a friend recently that whatever he allows, he encourages. He responded: "You deserve what you tolerate." I love that. What are you allowing and encouraging in your office? In 2010, communicate the goal, hold people accountable to those goals and lead the way. That's what leadership is all about.

"Donor and Recipient Dental Practices"

Early in my career, I realized my best referral source wasn't the direct response mailers, new resident programs, care-to-share programs, signage, or even location. To my surprise, it was the Orthodontist and two other GP Dental practices down the street. In a town of 19,000 people, 35 miles north of Dallas, we were getting 15-20 new patients per month from our competitors. How could that be? Why would so many patients in a town where everyone knew one another, decide to leave their long time dental practice to come to the new kid on the block. Maybe what I had been taught in dental school wasn't true: "Patients will bond to dental practice for life". In fact, Fortune magazine found that 87% of patients will change their Physician (MD) for a $5 difference in fee. Is it any surprise that they would leave a dentist for money, lack of concern, poor hours, location, lack of competence, or a single bad experience? Welcome to the era of Donor and Recipient Dental Practices. Fail to inspire your patients, and you will see them seek treatment elsewhere. Make every step of the patient experience perfect except for the last one, and they're gone. Patients today, vote with their feet. If you are seeing the back of their heads, you are doing it wrong.

Dental Truth #1: There is no way to get better at giving patients what they don't want.

The worst thing you could ever do, is push treatment on patients without happily giving them what they want. Let that small fact elude you (Giving patients what they want), and you will find yourself on the fast track to a mediocre unfulfilling career. Fact: **If you are not growing, then you are not meeting your patient's needs**. If you cannot inspire your patients or if you are not growing, then you become the Donor practice for your area. Take a moment and see if you can name a practice in your area that is a "Donor Practice". If you can't think of one, then it's **you**. The Donor practice has no idea that they have this effect on their patients. They are usually clueless. It is always the poor economy, terrible location, poor dental IQ, inability to find quality staff that is blamed for lack of

growth. At Summit Management, we expect our client's practices to grow regardless of the economy, and they do. The "Recipient Practice" quietly grows, inspiring their patients to refer everyone they know.

Here are the symptoms of a Donor practice.

- Increase in **Cancellations and No-Shows** (Goal would be less than 10%. You are not convenient, and did not sound caring and compassionate over the phone. Poor hours, days and fees (Consumerism) create such a hassle to get into your practices that patients make an appointment never intending to keep it.
- Few or **no Direct Referrals** (Goal: 60% minimally). This is the one black or white symptom. Few referrals spell disaster.
- Patient's want **second opinions.** Usually the result of being too assertive, instead of a balanced case presentation. If you want the treatment more than the patient, you have crossed the line. There should be no selling in dentistry. Give them what they want and tell them what they need.
- **Marketing Driven**: You spend a greater and greater portion of your income on external marketing in order to maintain your numbers. Good practices (Recipient) do not need to market and poor practices (Donor) should not market. Spend money and time on marketing when you have few internal referrals spells disaster. You will just have more clients leaving faster telling everyone they know to stay away. Don't look for an external solution for an internal problem. Close your back door while opening the front.
- Patients say they **cannot afford your treatment plans**. You must keep comparables comparable when it comes to fees. Stay in the 80-90% for your area. Always give the patient what they want first, then, work at giving them what they need.

Bundling your fees and treatment plan incorrectly make you look like a Dentist turned time share salesman.

- **High staff turnover**. Our office was fortunate to average over 14.5 years for each employee. High turn-over is a symptom of lack of leadership and systems. Get it right and the patients and staff will stay. If your patients see a different face every 6 months, they will wonder why, and they are right.

- **Assisted Hygiene**. Assisted hygiene does work to ramp up the hygiene department, but make sure you have the right assistant in that role. It should be the best assistant in the office. Maybe even the one you can't work without. If done incorrectly, you will see fewer patients following thru with treatment plans because of a lack of trust that was once created by your hygienist spending the time to adequately explain treatment and listen to what the patient came in for. I have seen few offices that do this correctly.

- **Poor financial Arrangements**. The largest and most used health care patient financing company is not the best just because they pay the ADA hundreds of thousands of dollars a year to receive their endorsement. Add Wells Fargo, and Chase to your options and watch the acceptance rate sore.

How to Fix Donor Practices

1. **Routing slips**: These can be produced by most dental software and allows you to follow each patient through the office. Patients may first contact you by phone and then arrive at office for the first time, hygiene, diagnosis, case presentation, financial, scheduling…. The routing slip follows them thru your office. As some point you will find a point at which they do not go to the next step. Identify this point and you can correct the system or staff member and eliminate the blockage. Don't, and it is "Donor Doomsday".

2. **Exit Interviews**: Whether it is with a staff member that does not work out, or a patient who goes down the street, you can benefit by taking the time to call and find out why. Great leaders find the problem and deal with it immediately.

3. **Comment Cards**: These anonymous cards allow you to learn of potential problems on every patient you see. Email me (abernathy2004@yahoo.com) and I will send you one. Assume that if one patient mentions a problem, there are a 100 more patients who were silent and felt the same way. 96% of patients will leave without saying a thing if dissatisfied. Learn of and deal with the problem and most will stay.

4. **Create a system for CA/NS**: Email me and I will send you our cancellation and no-show system we used for over 30 years. We will include a call sheet and purge sheet to bump up your daily production goals, and lower your overhead.

5. **Record and monitor your calls** in and out of the office. The number one piece of technology in your office is the phone. If the staff does not come across as caring and compassionate, the patient will never show up to let the doctor mess up the relationship.

Spend the time to create great systems and inspire your patients and staff, and there is no limit to practice growth.

Beyond a Donor Practice

Occasionally you have an epiphany (I call it a brain fart) when answering a common question. In the process of just visiting over the phone with a young doctor, he said something that gave me pause. In a month that was his personal best, I asked why he had such a large increase in new patients. In thinking back he said that a doctor down the street closed his doors for 4-6 weeks to completely remodel his office before reopening. During the furlough, that same doctor referred all of his patients to this young doctor. The young doctor added that not only did this doctor do that, but many of the other doctors refer their patients to him when they are out of town. In this particular case, the referrals almost doubled the number of new patients seen in the practice, with a corresponding increase in production. The young doctor added that he felt that "the reason that the other dentists did this was because he always sent the patient back to the referring office". This wasn't the case of a general practice referring a patient to a periodontist and that specialist keeping the patient in their hygiene department for ever: Just a general practice to general practice. I could hear the pride in the voice of the young dentist as he tried to convince me that not having any of the patients wanting to stay with his office was a noble and good thing. My thought was that if some doctor had done this for me, the patient would never want to leave. I have always felt that no one could compete with our systems, facility, fees, convenience, or level of service. Why would anyone want to return to a "lesser" office after being serviced by us? Walt Disney said: "Do what you do so well that people can't help to tell everyone they know about you." Bottom line: Even though I would try to direct this type of patient back to the referring doctor, most would find the difference too great to ever be comfortable in their old office again. I would found that in the future these patients found their way back to our office seeking their next round of treatment.

So here is the dilemma: If the referred *patient did decide* to stay with your office, in spite of your best efforts to get them back to the referral source, are you:

1. Stealing the patient? (Young doctor's attitude)
2. Or, is the other dentist running them off, or not inspiring them enough to have them stay? (My attitude)

I would have to say that I favor #2. Your practice is a small consumer driven business in which your patients vote with their feet. Fail to be there when they need you, charge too much, or have an attitude, and you can count on diminishing new patient numbers. Lack of new patients, indicate that you are not giving patients what they want. Far too often, our assumptions about what our patients "want" are based on what we have to "sell". DON'T GET CAUGHT TRYING TO SELL WHAT PEOPLE DON'T WANT, ESPECIALLY IN A MATURE BUSINESS. Start listening and stop selling. Get comfortable with happily giving them what *they want* and telling them what *they need*. Allow your patients, the consumer, to tell you what they want and then figure out how to give it to them. Maybe it's just me, or it might be the 10 days in a row of 100 degree plus heat we're experiencing here in Texas right now, but I'm finding less and less patience with lame excuses from doctors not achieving their goals. It is as if a majority of dentists have adapted the "Brown Pasture Syndrome": Where they think their patients are worse off than anyone else. They add to that a posture of "recession think" where they incorrectly assume that patients are suffering from a lost spending capacity. Neither one of these have any basis in fact. Regardless of the economy, location of the practice, or any other external input, patients will always find the money and buy what they "want". The problem is that your lack of growth is tied to your inability to inspire your patients through convenience, caring attitude, consumerism, cost containment, and excellent systems. Add to this the ever present increase of overhead cost and competition from other dentist's, and you are destined for mediocre results.

Every month I receive calls from clients of ours who by their own admission are just average dentists from Any Town, USA having their best month ever. Not the best month this year, or a better August this year over last year, but the best month in their entire careers. When I hear that, I have to take my hat off to a unique office that has finally decided to incorporate our Summit materials and become a "thermostat" rather than a "thermometer". They decided to control

their environment rather than being controlled by that same environment. They leave excuses behind and forge ahead to a greater month and better career.

Let's go back to our young doctor, and his attempt at rationalizing why few if any patients stayed in his practice. I posed a couple of questions to our young doctor. First I asked if he had read the article I did on "Donor and Recipient Practices" and did he understand its implications. He assured me that he had, and yes he understood the implication. Secondly I asked him why, if he was doing everything he could to inspire every patient that he saw, none of the referred patients stayed in his practice, and why his office routinely had only about 15% of their total new patients come from direct referrals (You should have at least 50% before even considering marketing: Never look for an external solutions to an internal problem). There was a long pause as he considered his answer. For the first time he was seeing that even though he felt that he was doing everything right, he was not getting the results he should. Like it or not, each of us as owners and doctors are the main reason our practices flounder. By omission or commission, we are responsible for our results. Bottom line: If you are not getting great results it is always the doctor's fault. To help the young doctor understand why the other doctors might allow their patients to come to him with no fear of having them stay, I told he the story about our old pastor at our church. Dr. Puckett, pastor of this church, and not a very good speaker, would take a couple of weeks off for vacation and maybe a few more for mission trips: Great guy, terrible speaker. In any event, he would have to have someone take his place in the pulpit. From my perspective, it always seemed he was very deliberate in bringing in someone that was less inspiring or gifted in delivering a message than he was (A remarkable task in itself). Not that these referring doctors were doing the same, but you have to give some consideration if you look at it objectively.

If you are "doing everything" you have heard me say, write about, or coach you to do, and are not getting the results that we consider to be benchmarks, something is wrong. Looking back some thirty years of working with doctors, there is a common thread for doctors who find themselves under achieving. Many go through the motions or steps to implement a system. This will bring some improvement. They are efficient in their application of knowledge. Where

they miss out is being effective. You must have both for this trend to perpetuate itself. This disconnect is brought about by a lack of understanding or ownership of the process. Doing the right thing for the wrong reason will not wring out success even from the best systems. We need to get back to a "whatever it takes" attitude. A feeling that there is no system, staff position, or procedure that is sacred. Everything except our "purpose or mission" will need to evolve and change. The good and bad of a recession just makes this decision more pressing. From now on we need to run our practices based on results. Not what we wish would happen, not postponing taking action hoping things will change by themselves, but proactively relooking at everything until we get the results we desire.

AUTOBIOGRAPHY OF LIFE

LIFE IN FIVE SHORT CHAPTERS: *A Consultants view of the Doctors we work with.*

1. I walk down the street. There is a deep hole in the sidewalk. I fall in. I am lost. I am helpless. It isn't my fault. I can't believe I'm in this place. It takes me forever to find my way out.
2. I walk down the same street. There is a deep hole in the sidewalk. I pretend I didn't see it. I fall in again. I can't believe I'm in the same place, but it isn't my fault. It still takes a long time to get out.
3. I walk down the same street. There is a deep hole in the sidewalk. I see it is there. I still fall in. It is a habit. My eyes are open. It is my fault. I get out immediately.
4. I walk down the same street. There is a deep hole in the sidewalk. I walk around it.
5. I walk down another street.

TODAY IS THE DAY TO WALK DOWN A DIFFERENT STREET! I did it at forty, and `you can do it at whatever age or situation you find yourself. It is never too late.

Why do doctors lament their situation, give lip service to change, but fail to act? There is not one practice out there that cannot change their course. Not enough patients, too high an overhead, not enough production, make a change. The one constant in a small consumer based business is change. If the customer votes with their feet and you are not growing, something is wrong: Make a change. What if I make the wrong change? It is still better than waiting for the other shoe to fall. Make another change. The human default setting is to move toward success. Fail, make a change. Fall short the next time, make another change. Each change brings you closer to the solution. Each change adds experience the hard way, but you learn. Each lesson gets you closer to the outcome you want. It is our job as coaches to help you move more quickly to the solution: To facilitate change, and minimize mistakes. The problem is that many of you won't change. It is as if you are self sabotaging your own efforts by finding yourself paralyzed by analysis of a problem that we run up against every day. You're like the guy in the scenario above. You keep walking down the same street, and falling in the same hole, but never considering taking a different path. It has become a habit, and a habit is just a grave with the ends kicked out. It is not the economy, the demographics, poor marketing or anything else but you.

One of my favorite authors, and motivational speakers is W. Clement Stone. Written half a century ago, he really nails it.

Outcome Formula: From W. Clement Stone

E + R = O

Event + Response = Outcome

The basic idea is that every outcome you experience in life (whether it is success or failure, wealth or poverty, health or illness, intimacy or estrangement, joy or frustration) is the result of how you have responded to an earlier event or events in your life.

If you don't like the outcomes you are currently getting, there are two basic choices you can make.

1. *You can blame the event (E) for your lack of results (O). No doubt factors exist, but if they were the deciding factor, nobody would ever succeed.*
2. *You can instead simply change your responses to the events (E), or the way things are until you get the outcomes (O) you want. You can change your thinking, change your communication, change the pictures you hold in your head (your images of yourself and the world) and you can change your behavior or things you do. That is all you really have any control over anyway. Unfortunately, most of us are so run by our habits that we never change our behavior. We get stuck in our conditioned responses. Attitude isn't the only thing, but it is the main thing that gets us through.*

There are certain truths in life that for some, come with great difficulty. Getting older and looking back gives me a unique perspective of life's lessons. I caution you to embrace these truths of life and move toward success.

Truths about Life:

1. **You will learn Lessons**. I have always felt that nothing happens by accident. Situations are placed in our path by our own omissions or commission to test and refine our character. I will have to admit I probably put my hand on the hot stove four or five times before figuring out that I will get burned every time. At some point it is healthy to look at every challenge as an opportunity. It is an opportunity to learn, re-focus, change course, and continue to improve.
2. **There are no mistakes—only lessons**. Too often I find doctors shucking the blame and putting all their circumstances on someone or something other than their own choices. This is a waste of time and an error in perspective. You are in what I call the "brown pasture syndrome". You thing you are worse off than anyone else.
3. **A lesson is repeated until it is learned**. Like the doctor we work with that has successfully ended 4 marriages, and thinks that this is a wealth building strategy. Many of us get stuck in the "ground hog loop". Every day, marriage, and problem ends up repeating itself because you are

failing to learn. There is no learning without application. They are the doctors that in this example tend to go from step 1, to 2, to 3, to 4, then 4 again, and again, and again. Your goal in life should be step 1, change and improve, step 1, change and improve….

4. **If you don't learn the easy lessons, they get harder**. (Pain is one way the universe gets your attention). What does it take to get you doctor's attention. If you are not getting the results you want, call us and let us help you change. What does it take for you to make a direction correction, or attitude change with an accompanying change in action. Don't let bankruptcy, business failure, or divorce, or mediocrity keep you from being the doctor you always knew you would be. Everyone needs a coach, give us a call.

To Bonus, Or Not To Bonus? That Is The Question.

The short answer is absolutely maybe. It always starts with a short email from a doctor asking me how to structure his bonus. I always answer: "Give me a call, because it will take too long to type it, and you will end up sending me six more emails all starting with "Yea but, what about ….?". It happened again so I decided to go ahead, and type an answer that should clear up the myths, misconceptions, and outright lies about when, where, and how to start or fix a bonus system.

To help us all get on the same page, I have included an article that I had written on profit and overhead in a successful general dental practice. It creates benchmarks and helps you manage your practice through statistics. A bonus should only be considered when the numbers make since. Incentivizing staff can take many forms. Money is just one of them. You must put your house in order before utilizing a bonus plan to incentivize your staff. Get the right people on the right bus, and in the right seat. This often requires you to make the "hard decisions" about keeping great staff members, or "freeing up the future" of marginal staff. There are only two types of staff: Ones that need more training and those who should leave. It is far more expensive and stressful to keep marginal staff compared to letting them go. We are not looking for super stars. We are building a team. It is no longer a good idea to have just good staff. Each and every one of your staff must be great, and great in the sense of working well as a team. You will never go any further than the one staff person with the lowest commitment to your office's goals and vision. Don't wait. Act now.

Benchmarks, Management, and Accounting by the Numbers

Steven Covey in "7 Habits of Highly Effective People" identifies the number one trait to make you successful in any endeavor: "Begin with the end in mind". In other words, if you can define, or create a picture of where you want to be, you will shorten the path and define the result. The same is true in overhead. Your overhead should be 50% to 55%. This is realistic in any practice that is 5 years or older. I see too many practices with bragging rights of huge production, but the truth is they take very little home. It has always been and will always be about net, not gross. You should be able to keep approximately half of every dollar you produce. One of our mottos at Summit is: Produce More, Collect Half, and Keep Half. Remember: You should collect over 98% of all fees charged out. An increase in productivity is of no value if the cost of overhead is not contained. We also believe strongly that you need to be debt-free. It's amazing how much less stressful every day is when you're out of debt. When working with young doctors to start a practice, we insist on a plan to make them debt-free within 3-5 years. When working with established doctors, we fight to get them to put their house in order, live within their means (spend less and produce more), and concentrate on the systems that guarantee increase in net and a decrease in overall overhead.

Looking at hundreds of practices and their numbers, I am too often surprised at the lack of information the doctor can lay his hands on. The profit and loss (P&L) statements are not available until 90 days after the closing of the month. The doctor cannot read the P&L, or glean the information that he needs to make decisions, and **does not realize that a profit and loss statement does not reflect true cash flow (what you collect and what you spend)**. They do not use software like Quick Books to write checks and create a cash flow analysis. They are being overcharged and underserved by CPA's that do not understand the dental business and seem to be in no hurry about getting the numbers to his clients. If you want to lower your overhead, manage your practice for profitability, and control your future, you must have accurate, timely, real world numbers to guide you.

In pro sports today, the standouts are referred to as super stars. Howard Hill was a super, SUPER star. He is one of the few men to become a genuine legend during his own lifetime. Having died in 1975, Howard was referred to as

the “World’s Greatest Archer”. He is the only person to win 196 archery field tournaments in succession. He would perform by doing difficult trick shots like shooting an apple off someone’s head from 60 feet and then top that by shooting a prune from the same distance. He was the archer who would split an arrow with an arrow in “The Adventures of Robin Hood” with Errol Flynn in 1938. You could say there was no target he could not hit. He could out shoot anyone, any time, in any conditions.

I would like to propose a bet. I can teach you how to hit a target better than Howard Hill in a matter of minutes. The trick: I would blindfold Howard, and you would be able to see the target. Silly bet, but every day I see doctors trying to hit a phantom target they cannot see or locate. No one can hit a target that is not there. That is why we all need benchmarks. We all need a target to hit: A goal to strive for. How are you going to know how you are doing if no one sets the bar? Benchmarks define the game we are playing. What does it take to win? Where are the goals, the yard lines and hash marks, and where are we starting from.

No matter how many employees on your payroll, or what your financials looked like last month, if you believe that “organized chaos” and creativity alone will drive your business toward success, it’s time to shift gears. Businesses without systems react. You want to forecast, measure, set goals and beat them. (And, of course, earn more money while doing all of this.) Benchmarks give you a ruler to measure your progress. They help you create black and white answers to grey questions. Let me give you a few benchmarks to help set a target for you General Dental Practice.

OVERHEAD: I tend to look at overhead from the perspective of cash flow: What comes in and what goes out. Not the way a CPA does it in a P&L statement with only deductable items listed. This cash flow statement creates a management tool to help you manage your practice day to day and should be shared with the staff.

Let’s take a look at overhead, and the way we suggest you have your CPA organize a cash flow statement. Keep in mind, a cash flow statement is not used to do your tax returns. It is a minute to minute accounting of in-flow and out-

flows of money. We believe all operating expenses should be contained in about 6 categories. Attached to the categories is an ideal benchmark to help you move toward that 50% overhead. These are the categories.

• Staff Compensation	24-24%
• Facility	7-9%
• Lab	8-10%
• Marketing	3-5%
• Office Supplies	1-2%
• Dental Supplies	6-7%
TOTAL	50-55%

Staff compensation includes everything you spend on staff: Taxes, continuing education, bonus, trips, normal pay, benefits, uniforms, it includes everyone but the owner doctor. Hygienist and associates are included here.

Facility includes all the physical plant and its costs: Taxes, note payment of the building itself, maintenance, lease, servicing note for the purchase of a practice, utilities, equipment purchase or lease, repairs…

Lab should include everything you spend on lab, including Cerec, supplies, outside lab work, and anything else related to that side of your practice. If the benchmark seems low, or you spend more on lab than the 8-10% you are probably limiting your practice to adults and a greater portion of you practice is C&B. This means your ability to market your practice is limited to a smaller more lucrative audience and should reflect these demographics. If your lab is lower, you may not be assertive enough in your case presentation or not clinically mature enough to present more

ideal treatment. Each of these numbers means something, and creates a picture of the health of your practice.

Marketing would include all internal and external things you do to inspire and reach your potential clients: Print ads, give always, signage, promotions, phone book; everything. It is said that everything you do, from answering the phone to staying on time communicates a message to your clients. You cannot, not market. While 3-5% is the benchmark, it is not unreasonable to do more. A higher end practice may spend more here, and less in compensation. Do not cut back on putting your message out there. In providing a service or product: Do what you do so well that people cannot help but tell everyone they know about you.

Office supplies are self explanatory and are not usually a problem for most offices. Watch what you spend, and spend wisely. Only one person should be in charge of ordering dental and office supplies, and they should have a written budget that is adhered to.

Dental supplies and the money spent for them are often abused. Make a budget, monitor spending, have one person do the "buyers club". Woody Oaks with Excellence in Dentistry partners with Darby to provide a free service of a buyer's club. Go to their web site and call Darby and tell them you want to sign up for the buyers club (Excellence in Dentistry). They will give you 15% off their already low mail order prices and give you back 3% of your purchase on a credit card. That is 18% off one of the lowest mail order companies in the US. Do this tomorrow.

Remember: Every operating expense should fit into one of these categories. Your first question will be: What about all those things I run through the practice to write off. The answer: Everything below the line is yours. You

choose to spend them on cars, club membership, trips and non dental expenses. We are looking for a report that helps you manage your practice's overhead.

Practice Benchmarks for a well run General Dental Practice:

- *$25-$30K production per operatory/month (5 Ops = $100K-$150K/month).* If you are not at this production level, it does not mean you are a failure. It does mean you have room to grow, and there are no physical capacity problems. There is no need to add more room to produce more until you meet or exceed this ratio.
- *$20-$25K production per employee/month*. If you are not meeting this benchmark, you are either overstaffed, or under producing, or both. Once again, you have no staff blockages (not enough staff) if you fall short of this goal. It is possible to increase production without adding a single staff member.
- *50-75 new patients/doctor*: (Remember: we are talking about a well run general dental practice, not a "Boutique" practice.) Normal dental practices have a mixture of treatment and ages. As you and your practice age, it is normal to see fewer children. Along with this increase in age, confidence, and competence, comes more and more crown and bridge. The negative is that you have limited the size of the patient pool that you can vie for. Generally speaking, a dentist will only attract and inspire patients who are about 10 years on either side of the doctor's age. Open up a practice and still be in the same location 15 years later and you are probably in the wrong location. Demographics will change and before you know it the

neighborhood has gone downhill and there is a dentist on every corner (To help you compete, you need to have a ratio of 1 doctor for about 2000 patients). Go to www.zipskinny.com, put in your zip code and up will pop all of your demographic information. This will be a revelation for most of you, and an aid in getting more new patients from updated marketing for others. Then, go to www.aftco.net, and look under resources and dentists. Put in your zip code and see the number of dentist per population. Bottom line: There is no excuse for not getting your share of the new patient pool. You either grow or die. There is no way to just stay at a particular production plateau. Inflation, demographics and the economy slowly erode your business until it is too late. It is like cooking a live frog. You can't drop him in boiling water because he will just jump out. Put him in cold water and slowly raise the temperature, and he never realizes his plight until it is too late. Welcome to the story of the average dentist. No one ever left dental school wanting to end up an average dentist. L.D. Pankey said: "The average dentist is either the best of the worst, or the worst of the best."

- *2 Hygienist per doctor*. This indicates a healthy recall, new patient flow, and shows that you have the back door closed. This is the life blood of a healthy practice. If you have been in practice for more than 5 years, and have not found the need to hire another hygienist, you are not inspiring your patients. With the average new patient flow of 25 new patients per month, you would need to add a new hygienist every 24 months just to service them. If you are not seeing this, then you have as many patients leaving as you have coming in. You have the back door wide open. This usually indicates a lack of systems, internal marketing, and the ability to inspire the patients you have. It is black or white: You are either growing or you are not. This is one of the reasons I believe that every practice needs to invest in a coach: Someone to fine tune you practice and help you to the next level. Without exception, everyone needs a mentor. I would

have to say that the success of my own practices is directly related to practice management coaching, meeting with a mentor, and hiring for attitude. Practice consulting is not expensive, it is priceless. It is the best investment you can make in building a successful practice.

- *Hygienists are producing $1100-$2500 per day unassisted*. For our Summit clients we are now able to bring in one of my hygienist who regularly produces $25K-$45K per month unassisted at no cost to you. We will just let them replace one of our regular consultant visits.

- *Hygiene department produces 33% of the total production of the practice*. Whether it is 1 or 10 hygienists, you should be getting at least one third of your production out of your hygienist. If you are not monitoring this you will be surprised at how easy it is to lower your overhead and increase production when your hygiene department is running on all 8 cylinders.

- *60% of your day is filled with substantial cases*. A substantial case is anything that is about the fee of a crown. For Example: Your production goal is $5,000/day. If a crown is about a $1,000, you would need to have 60% of $5,000, or $3,600 (3.6 crowns or their equivalent) booked each day to reach a significant goal. This is also true in hygiene, except the dollar amount would be different. A substantial case for hygiene might be quadrants of sealants, or soft tissue management patients, not normal every day recall patients. 60% of their day must be in substantial cases also. Fail to do this and you are guaranteed to not make a significant goal for you and your hygienist. Your hygiene department should account for about 33% of your total production. Each hygienist should produce at least 3 times what they are paid.

- *Recall effectiveness of 80%* (Nationally you see the average general practice at 42%)

- *50-60% of your new patients come from direct referrals* from a patient of record. Practices that are not inspiring patients to refer, find themselves "marketing" driven. You are paying patients to come in the door, and they are leaving just as fast. If you are not growing you are not inspiring your patients. In a society that votes with their feet, you cannot afford to have a majority of your patients getting second opinions or not scheduling for treatment. You cannot get better at giving patients what they do not want. Change your direction and reap a new outlook for your practice.

- *98% or greater collection rate* (The average practice does 94%. This will not do.)

- *Consumer hours*: 7-10am, 3-6pm, Monday-Friday, and Saturday hours. This is difficult without multiple doctors, but 9-5 Monday thru Thursday, do not meet your patient's needs. Consumerism is a creed you need to adopt to prosper in any economic environment. Convenience is huge is today's practice. Patients show up where their needs are met.

- *A small incremental fee increase every January and July*. Inflation and subsequent cost of operating a practice continue to climb. Review and update your fees on a systematic regular basis. A usual scenario would be to compare your fees to our fee survey and place them in the 85 percentile. You would then raise your fees a couple of percentage points every January and July. This would offset the effects of inflation and cost of living.

- *Pricing: Keep comparables comparable*: Do a fee survey (This is available to our Summit Clients at no charge. Just give us a call). Try to keep your fees in about the 85 percentile. Consumers shop and price is important. As a note: An increase of 10% creates a 9% decrease in overhead. Over the life time of a practice, millions of

dollars are lost from having fees that are 5% too low. The cumulative effect could fund a substantial portion of your retirement.

- *Production of $600-$750 per hour per Dentist*.

- *A goal of 15% growth per year in productivity*. Growth is a sign of meeting your patient's needs. No growth means you are not inspiring your patients. Lack of growth means there is something drastically wrong. Managing a practice by the numbers to establish goals to insure growth and the proper overhead is the only logical choice. Insurance company statistics tell us that 97% of the population at age 65 will either be "dead or dead broke". Only 2-3% will become financially independent at that age. Failure to plan is a plan to fail. You must start from day one to lay out a strategy for financial success. No one else can do this for you. The one saving grace is that it is never too late to start. If you have reached that age where you are closer to your "do before date than your born on date", or even a young doctor of midcareer doctor who has an entrepreneurial bent, we have the number one wealth building strategy to share with you. Ways to remove equity from your practice, while producing more and lowering your overhead to insure a comfortable retirement at any age. You cannot discount a life with "choices". A secure financial future is the best choice you can provide for you and your family. Give me a call and let me show you how. (972-523-4660.

- *Production of $2,500/New patient*. (National average is $1,100/New Patient) Just divide the monthly production by the number of new patients and this will give you a ratio of production per new patient, *not* production *on* each new patient. The $2,500 per new patient is a lofty goal for a great general practice, but is very doable. Production over $2,500/New Patient puts you in the realm of a boutique practice. Along with a fee survey, we can help all our clients see how a failure to do a certain type or number of procedures indicate a lack

of planning. We can help you restructure your fees and treatment modalities to maximize you demographics to create a lower overhead and increased production without more staff, facility or stress.

- *90% case acceptance*. The "monkey score" is a case acceptance of 67%. The number one reason people do not have dental work done is that they were never told what they needed to do. Just tell them what they need and statistically 67% will say yes. Add in consumerism, and the scripts that Summit clients are given and it will always go up. (Clients should go back and reread "100% Case Acceptance")

Now that we have looked at the benchmarks for overhead and practice management, I would recommend that you try to get as many of these benchmarks in line as possible before enacting any "bonus" system. You should consider this as a cautionary prerequisite for a successful bonus plan. While having them all in place would be nice, but difficult, there is a way to make a modified monetary bonus until your benchmarks show improvement. In other words each and every benchmark or overhead item need not be perfect, but you should share these with the staff and establish a plan to add each one to your goal list. I say this so that you understand that a bonus or profit sharing scheme must be a strategic step that insures a decrease in overhead, while inspiring your staff to raise productivity. Without most of these benchmarks in place, you will struggle and probably fail to make this a successful strategy. With that being said, let me add one warning. Be sure that whatever system of bonus or profit sharing that you implement is actually less than you are willing to give. What I mean is that this money must be an amount that will not need to be modified or taken away from your staff in the future. It is far easier to give something away than it is to stop it at a later date. You can always increase the amount if it proves successful, but it is devastating to the morale of your staff if you are forced to revoke it due to poor planning,

or for any reason at all, you decrease the amount or change the conditions by which it is obtained. We will give you a step by step approach. I assure you that each step is important. Get it right the first time, and this will be a cornerstone to taking your practice to the next level. Stumble and you enter the ranks of most offices who have failed in an attempt to inspire their staffs by sharing in the increase of production and profitability. It is very difficult to recover from mistakes in a strategic plan like this. Fail and you will see an increase in stress, staff turnover, overhead, and a general loss of esprit-de-corp.

Successful Bonus Principles

- *Money is a reward, not an incentive*. For someone to own this process, and they must own it to make it work, they must understand the "business of Dentistry". Your Cash Flow Statement and Profit and Loss Statement should be shared with the staff each month. They need to start to develop an "ownership" mentality. A way to make them feel that this is their practice and a career, not a job. They decide when people or hired or have their future freed up. You consult with them on overhead and profitability. You constantly revisit the reason for the "bonus", and why and how it is paid. They are your partners in this business, and as a partner they should share in the spoils. The bonus is their monetary reward for going the extra mile (Not just what they have always done). Money is not an incentive, your mission and purpose as a team is the incentive. Money is just a way of measuring the amount of service you deliver to your clients. Don't be mislead into thinking that you can inspire your staff with just money. You have to become a great leader and a better manager. Like it or not, if a practice is floundering, it is always the doctors fault. Forget the economy, demographics, staff,

patients, dental IQ. It is always the doctor who is at the center of any challenge in your practice. By commission or omission the doctor has created the situation he finds himself or herself in. It is my job to put a mirror in front of each doctor and for many of you, for the first time to help you see the real reasons and solutions to your practice challenges.

- *Staff must feel in control of practice development*. Your job is to hire for attitude, train for a skill level, give them the authority and permission to do their job, and get out of the way. What's funny is that most of you will hire for skill level or number of years in a dental office, only to be disappointed again. Dentistry is a small consumer driven business. Our staff's main job is to handle people, not suck spit. Sucking spit and using a computer is just what takes place while they are doing what I hired them far. They were hired to escort my patients through our practice and their appointments in such a way as to create a bond with a patient who always shows up, pays us, and refers everyone they know. Some of my worst hires have been staff who on paper looked great because of years in the profession, only to find out that they were constantly changing our successful systems back to the way that they did it in their previous office, and had extremely poor people skills. Most of my best hires were staff with incredible people skills and the desire to learn. No preconceptions, no changing our systems, just a hard worker whose goal in life is to make our patients love us.

- *No way to manipulate the plan*. Our profession is littered with offices that started a bonus plan, set a goal, and then after the staff successfully completes the

gauntlet, finds that the doctor changes the rules so that they get no bonus. Kind of like playing cards when you were a little kid with your older brother or sister. No matter how you think you understand the rules to win, you always loose because the older sibling changes the rules after the fact. You must think this thru and make sure you never ever manipulate the outcome of your bonus plan.

- *Doctor is accountable as a team member*. You are not above the law. You are one of the troops. I always was the first one there every morning and the last to leave in the evening. At the end of the day, I was taking out the trash and helping to suck that soapy solution thru the vacuum lines. We were a team, and I held up my end of the deal. I never asked anyone to do something I had not done or wouldn't do myself. If you let the team down you need to apologize, and do better. The yardstick you use to measure the performance of your team should be even more challenging for you. Leadership and enthusiasm filter down from the top, not up from the bottom. I always thought that if I was flying back from a speaking engagement, and the plane went down, they would go the funeral and be back the next hour producing just as much without me as they did with me. I was just a pair of hands and a member of the team. You can always tell when the staff embraces your bonus system and owns the process. When this happens, they push you to produce more and they come up with ideas to manage the practice. They will even be upset when you take time off from the practice. A successful bonus system is built on a new commitment from the doctor. You have to show up and deliver every

day. It is show time all day long. The staff will take their cue from you. Don't start this process if you don't have the energy and commitment to take it all the way.

- *Doctor places the bonus ahead of his/her income*. Remember the overhead chart at the front of this article? If not, go back and memorize it. You get everything below the line. Our bonus check was always paid on the 10th of every month. Their normal checks were cut on the 1st and 15th of every month. That bonus check was paid separately so that the staff would understand that it represented an effort and skill that went beyond their salaries. That bonus check should be something you look forward to writing.
  We had a doctor from Chicago a few years back who went from $30,000/month, to giving a bonus and producing over $90,000/month. I got a call about 9 months into this super successful strategy from her: "This bonus thing is just not working at all. I had to pay $7,000 in bonuses last month. I'm paying way too much money to my staff." She said. I asked her if she was following our bonus strategy exactly. I reminded her that while the amount she spent on her staff was increasing; the percentage of the collections dedicated to staff compensation was actually going down and lowering her overhead? She said: "Yes, but that is just way too much to pay a staff. They do not deserve it. No staffs I know make that much" I asked if she was just paying 15% to the staff above their base or BAM number (Bare Ass Minimum). She said: "Yes". I reminded her that while she was giving them 15%, she was adding 85% to her take home pay. Even though I tried to show her the insanity of removing the very strategy that tripled

her production, stopped staff turnover and dropped her overhead by 17%, she did away with the bonus. It only took 45 days for her production to drop back to about $30,000/month. The money you spend on a successful bonus system will be the best return of investment you have ever made. Make sure there is no way you can mess this up.

- *Doctor has the goal of having the highest paid staff in town*. I modified it so that my staff was one of the highest paid staff the United States. I was proud that my staff helped me maintain a low 50% overhead while allowing them to make more than any staff I have seen. They were averaging over $3,000/month/employee in addition to an incredible base salary, 401K, health insurance, and 2 weeks paid vacation, uniform allowance, continuing education, and 1 week cruise every year. The average staff was with us about 14.5 years. Most were with us for 20 plus years. That is a commitment and a sign of a healthy practice.

- *Doctor is committed to all changes necessary to facilitate the bonus*. This could include changing the hours, incorporating new systems, hiring a consultant, making a new level of commitment personally, freeing up some ones future, or spending money on the facility. Get you a T-shirt that says: "Whatever it takes". That is your new commitment. To reach the next level in practice productivity and profit, you must make a new level of commitment on you and your staff's part. You are where you want to be. If not, you would change. Take responsibility and make it happen. Excuses are overrated.

- *Doctor must act quickly to eliminate incompatible staff*. You are going to have to make the hard decisions and make them quickly. Waiting means a lack of direction and commitment by the doctor. The good thing is that when your staff sees this new commitment, they will see the leader in you beginning to emerge. Done correctly, you will see them lining up to follow you. You will see a consensus of commitment. Most offices seem like each staff member has a rope they pitch over a big rock and then begin pulling in different directions. This is a sign of a lack of leadership. Become the leader, and they all begin to pull in the same direction. This is called synergism. Where 2or 3 get the work done of 5 or 6. This synergistic effect is an effort multiplier. It takes less stress, effort, and staff to get the results that previously seemed impossible.

- *The bonus must benefit each team member each month*. The ideal way of rewarding someone for what they do is to catch them doing what you want and pay them. Waiting to pay a bonus quarterly or yearly does not reinforce the behavior you want repeated. As I said before, we pay every month on the 10th with a separate check for their regular pay periods.

- *The Doctor must stop bartering*. By trading for services or other items you are manipulating and steeling from your staff. If they understand this system, they know that any unrecorded production directly affects the amount of bonus they receive. You cannot keep two sets of books. You have in a sense, taken on a partner who will monitor your overhead and watch closely how you conduct your business. Keep your integrity

foremost in your mind. Teat you practice and staff the way you would like to be treated.

- *The bonus must have the power to change someone's life*. Little bonuses get small results. You must get your practices to meet or exceed the benchmarks we have given you. Unless you have tamed the overhead monster, and learned to drive profitability, you will never be able to pay enough to change their lives. My staff drove better cars than I did, and probably paid for nicer colleges for their kids than I did. When other practices asked me how I assembled such great staffs and doctors, I would have to say that they found me. We had an incredible reputation for our staff and doctors built on sharing the profits and encouraging an ownership mentality through transparent leadership, and management built on systems that were constantly improved by our staff with feedback from our patients. Without even looking, I can tell you that if you are falling short in any area of your practice, that Summit Practice Solutions can guide you to the next level of practice productivity. Just give me a call and let's spend some time discussing the individual challenges you are encountering. (Michael Abernathy DDS, Cell: 972-523-4660, or abernathy2004@yahoo.com)

The Nuts and Bolts of the Bonus System

SAMPLE CALCULATION

Production		Collection
$65,000	MARCH	$64,000
$65,000	APRIL	$65,000
$53,000	MAY	$50,000
$183,000		$179,000

$61,000 (AVG. PROD.) **$59,667 (AVG. COL.)**

Collection/Production must be at least 98%

If not, we use collection average only (<97%)

If 98% or greater, we use the average of collection/production

$61,000

+$59667

$120,667/2 = $60,333

- **$50,000 Base of "BAM"**

$10,333

X 15%

$1550/5 staff members = $310/staff

Above, in outline form, you see the Summit Bonus System: A system that was used in my own office and has presented to thousands of offices thru the years. It has survived with little or no modification for over 30 years. Let me explain step by step what and how we arrive at the systems and how to apply the numbers. The bonus is paid each and every month on or about the 10th. As you can see, even though the bonus is paid monthly, it is averaged over 3 months. This has the effect of taking out the highs and lows in production and creating a more consistent bonus number. It also prevents staff, after seeing that this month is doing well, from deciding to have the last couple of day's productive patients just pay when they come back next month. In this way, they get a running start on the next month. This violates our collection systems and is not what we want. Averaging the 3 months prevents the staff or the doctor from manipulating the system. In this example we will be paying a bonus for the month of May. We go back and add the Production and Collection of March, April, and May to get a 3 month total for each. We divide by 3 to get the average Production and Collection figures and then divide the average collection by the average production. We are trying to create a system that emphasizes a collection rate of 98% or greater. If fact, it was unusual for our collections (After any adjustments) to be less than 100%, and most times was greater than 100% due to our pre-treatment payment discount. In this example the ratio of Collection/Production was greater than or equal to 98%. Because of this we will use the average of the sum of the Production plus Collections. If it had been less than 98% we would have used only the Collection figure. You cannot pay money for something you did not collect. The staff will understand and your collection rate will climb dramatically. Once we have our final number, we subtract the base or BAM.

How do we arrive at your BAM or base. Remember we are shooting to lower our overhead to around 50% (Not the national average of 67%-74%). Let me give you a couple of ways that do not usually work but are an option. The

base is the amount that must be exceeded before any bonus is paid. Produce the base or do less and there is no bonus.

1. If you double your operating overhead you will have the exact amount that would give you a 50% overhead. Simple, but almost unobtainable in most offices. It is too great a difference between reality and the goal. It also would not motivate your staff if the amount of increase before bonus was so high as to be unimaginable for them to reach.

2. Figure out the overhead for compensation and multiply by 4. This would give you a compensation overhead percentage of 25% which would be you ideal goal. In most offices the main category of overhead that most struggle with is compensation. Get this in line and you are 75% of the way toward the perfect overhead. Once again admirable but when 90% of the offices are overstaffed or drastically under producing for the number of staff that they have, you are most likely creating a demoralizing base that the staff will find impossible to obtain. We must figure out a way to do this so that the base is obtainable, motivating and inspiring without dragging us down.

3. We could figure out what the average production/collections per month were over the last year and add about 10%, and use that as our base. They do not deserve a bonus if they do what they did last year, and if we raise our fees 2x/year for inflation or cost of living, and add about 10% to the average to take care of any unexpected expenses in the future, this might make sense. If you think about it, this formula really does not take into account the benchmark and goal of our ideal overhead model. It is done without actually taking into account the goal of lower your overhead to a particular overhead target percentage. It would affect different office overheads and challenges differently.

In an office with a very high compensation or overall overhead, we could figure the base this way but limit the difference between the base and amount above the base to a lower percentage. In other words if the over head was good, we would use the 15% number. If we had a very poor overhead we might use 5% for

the first 5 or 10 thousand dollars over and then go to 7-10% for the next $10,000 and finally when we got the ideal production number we would max out at 15%. The percentage and dollar amount would be design to pay bonus with the target overhead goal in mind. This sliding scale allows you to give a monetary bonus while inspiring staff and working toward a future production goal and overhead amount.

I want to apologize for something. In our last Summit newsletter, we offered to send you a free report on Cancellations and No-Shows. A lot of you requested it, some overlooked it, and probably some just deleted the newsletter without reading it. This report is too important for you and your staff not to read and memorize it. It may be that I had to stay up a couple of days to type it up, but I feel that I cannot let you avoid implementing every step of this strategy. We're friends and friends don't let friends do something stupid. If I was a heart surgeon and you were my patient, I would not let you back on the street with a life challenging condition. I feel so strongly about having you read this that I sent it to everyone on our newsletter. I have done my part: I practiced this way, wrote it down, we added to it, we retested it so now it's in your court. The document is already opened, hit the print button and make enough copies for everyone in the practice (You might even want to forward it to a friend. He will thank you). Once printed save this file. Next take out a highlighter and read it over quickly, marking areas that you are currently challenged with. Now, sleep on it for a day and then go over it again more slowly. Share it with your staff and use it for the next few office meetings. Finally set a goal to implement each step, by a certain specific date and reap the rewards of a more productive practice.

Michael Abernathy

Cancellations and No-Shows

There is nothing worse than having a perfect day scheduled at 8 am and by nine have 20% of the day cancel. What's even worse is that cancellations and no-shows seem to affect the most productive procedures (Crown and bridge and soft tissue appointments on hygiene). Therefore, the 20% cancellation rate may mean an eighty percent reduction in production. It is never just 20% reduction in production. Cancellations and no-shows are much like a chronic infection that never goes away. It keeps an otherwise good practice from becoming a great one. It is the difference in a profitable practice and the marginal one. Take this system and do not wait to share it with the rest of the staff. Remember: There is no learning without application. It is not enough to just share this information with the office. It has to be tracked, measured, and there must be consequences for your staff not following it to the letter. They are either doing the system and getting results, or falling back on what they have always done, and failing to meet goal. There are two types of staff: Good staff that need some more training or poor staff that need their future freed up. You will never go any further in your practice than the staff member with the least commitment to your vision and goals. It is the weakest link. It is no longer good enough to have good staff. You must move to the level of excellent staff: The right people in the right seat on the right bus. Do not delay. Make the hard decisions you know you need to make

and reap the rewards of a new level of profitability and production. (Coaching Clients: Refer to our philosophy and systems of the Purpose Driven, Doctor Led, and Staff Owned Practice Model)

Expectations versus Reality

Cancellations and No-Shows (C&NS) are a fact of life. They will always exist. Statistically, 20% of your patients will try to cancel or no-show. Zero percent C&NS is not a reasonable goal. We should shoot far an 8-9% number and of those, I would shoot for a 95% filled or replaced goal. In other words, they will still try to cancel but you are responsible to replace almost every one of them. You can ill afford the ripple effect of the loss of even one patient. Below you will find a chart of "One More per Day" or if you would like, "One Less per Day".

There are seven procedures listed. Four of these are performed by a hygienist and three by the dentist. These procedures if added to each day to an existing schedule would create the production of the average dental practice. That's right: Just add these procedures a day and you have added the production of another entire dental practice to your schedule, and it is all profit. For

example: The average dental practice works 200 days/year. Add one more crown per day at $1000/crown, and you have added $200,000 worth of profit to your bottom line. The opposite is true also. Let one person who is scheduled for a crown cancel each day and you have lost $200,000 for the year. Every day it is "game on" all day long. Each member of the staff and the doctor must be dedicated to making this day the best it can be. There is no margin for error. No "do over's". No way to go back and redo that day or make it better. Far too many offices operate under the misconception that they can make up for today next week or next month. We all have the same amount of time. Great practices take advantage of the time they have.

Why do patients fail to keep their appointments?

According to the ADA, patients listed time, money and fear as the number one concerns they had at the dental office. I would agree but would add a couple more areas in order to eliminate failed appointments.

1. **Time**. "Consumerism" is the new buzz word in business today. For dentistry this means we are a small consumer driven business. Patients frequent our business and buy based on emotional decisions and not logical ones. The best clinical dentist does not necessarily have the best practice. You will be judged on your people skills more than your clinical ones. Patients vote with their feet. So, if you are constantly seeing the back of your client's heads, you are doing something wrong. Convenience is a huge draw for most patients. When do patients want to come in? Usually from 7am-9am and 3-6 pm, and on Saturdays. We call these *peak demand times*. Times when our patients want to come in are Consumer hours. When do most dental offices have hours? Monday-Thursday 9-5: Where did this come from? Probably from the 1950's when there wasn't a dentist on every corner. These are not Consumer hours. Are there any doubt why patients cancel and no show in an office with standard hours? Time is important and

you need to respect what your patients ask for. Be there when your patients want to come in, and your productivity goes up and C&NS go away. We were always open 6 days each week and this translated into an average of 10-15 new patients a week just because we were there for them on Fridays and Saturdays and our competition wasn't. Another area of concern will be new patients who call in and are forced into taking a time that is either too far off, or during an inconvenient time of the day knowing they never planned to keep the appointment, or use some lame excuse or saying they will call back, or need to check with their spouse. I might add one more thing about time, and even money. There is a double standard in dentistry. We moan and complain when our patients don't show up or are late, yet we never are on time. Because of my obsession with time, I can say I never ran late, never ran into lunch or past closing time. That was only for 31 years, so maybe I will slip one day but I doubt it. By constantly running late, you are marketing your practice. You are telling the consumer (You remember: That's the guy who pays your overhead) that you do not respect their time and that you are more important than they are. Not a great message to give your clients. Is it any wonder why you do not get the number of direct referrals you think you should? As long as I am wound up, there is a double standard on money. You doctors can't afford the dentistry you present. You fail to pay your bills on time, yet get upset when patients find it difficult to afford your case presentations. Our Summit clients are required to pay us by credit card kept on account because we know that they fail to pay their own bills in a timely fashion. Even with that safe guard we routinely find that their credit cards are denied. Isn't it about time for all of us to walk the walk?

2. **Fear**: In today's market place you must be "Painless". Every patient should be offered nitrous oxide, premeds, post op analgesics, anti-inflammatory injections, head phones, oral and IV sedation, Intra-flow syringe, x tips, septicaine, Dexamethasone, stabident, (If you

don't know what I am talking about, start looking on Google or call me) video and a staff that serves their patients. Guess who gets to vote on whether you are painless. One guess and it doesn't include you or your staff. That's right. Only the patient gets to decide if you removed their fear and were painless. You can't afford to pay for the type of marketing that tells everyone that you are painless and it costs nothing. Hurt one patient and everyone in town will know about it.

3. **Money**: We have got to figure out a way to help our patients afford the kind of dentistry they need. You have to show concern about making dentistry fit into your patient's budgets. (Summit Clients: Be sure and go back and reread our module on 100% case acceptance.) If you want the dentistry more than the patient, then you have crossed the line. You cannot appear needy or too assertive in pushing treatment. Always *happily* give them what they want and tell them what they need. Do this, and fit it into their budget and you will have a patient for life. Most of you use Care Credit. While it is a good company, it does not have the highest acceptance rate of all the healthcare finance companies out there. You need to add layers of companies to direct your patients to. One is not enough. You can even use a couple of companies to get a single case financed by having each company cover a portion of the cost. If you do not fit the cost of treatment into your patients budget, they will always cancel and no show. It is always about money. Think of it this way. You have a system to finance their treatment, but with money or any other blockage that we are discussing, you are also reading the patient. You are looking at body language and what is not being said. You job as a financial secretary is to identify any hesitance on the part of the patient that might prevent them from keeping their commitment to you. If you do sense this, then go back, ask a question and probe deeper and identify where you lost the patient.

Put web address of wells fargo, chase, …

4. **Lack of Trust.** This is a huge. If you are not willing to find a way for them to fit the cost of dentistry into their budget, be there when they need to come in, show compassion and caring then you become the Donor practice for your area. The donor practice is the one that continues to quietly drive off patients for lack of consumerism while blaming it on the economy, poor demographics, and lack of dental IQ of the patient. I have said many times that the best referral source I had was the two dentists down the street that unknowingly sent me patients because they failed to inspire them. Trust occurs when we master serving (not service). The lion's share of this falls to the staff. From the first phone contact thru the final payment, your staff represents the practice. They control your future success. We need to understand what each patient is worth to us. Divide the number

of new patients you have into the production per month. This number is the amount of production per new patient (not on each new patient). In an average dental practice in the US it is about $1000. In a well run general practice it will get to about $2,500. Anything over this will put you in the boutique style of practice and will usually be with older doctors who see only adult patients with a high percentage of crown and bridge. Add to this, the lifetime value of a patient and you need to see each new patient as a $5000-10,000 dollar bill. While I know that money is not the point, it is a measure of the service you provide your patients. Another way to look at it is measure the number of new patients who are directly referred to you by existing patients. If is not at least 40% direct referrals you are not inspiring your patients. Loyal patients do not cancel. Think of it this way. **If you are not currently growing, you are not inspiring your patients. Your systems will ultimately determine the range of patients you will be able to inspire. It is impossible to get better at giving patients what they don't want**. Learn to create trust and you will inspire your patients, direct referrals and new patients will increase, and cancelations will disappear.

5. **People who owe you money cancel and no-show.** This is a whole other problem. People that owe you money are a symptom of a poor financial system. In addition to CA & NS, people who owe you money also do not refer to you.

NOTE:

Each of you needs to go back and read or listen to our program on "How Patients Judge a Dentist". This one topic can forever change your outlook on how you practice dentistry. We have had clients completely turn around their overhead production and new patient numbers. This is the cornerstone for every system we have developed over the last 20 years. Get this right and you will not be able see all the patients that will want to come in. If you are not a current client, give us a call and we can sell an hour long CD that fully

explains these concepts. You cannot afford to go start another year without implementing these strategies.

Hopefully we have spent enough time so that you understand why cancellations and no-shows occur. Let us now spend the time to help you minimize its impact on your day.

We see hundreds of offices a year and talk to even more doctors. In a small percentage of cases we find that in some offices technology is holding them back. I don't care what type of software you use, but it has to let you schedule in 10 minute increments (15 minute scheduling is one of the worst blockages of a profitable dental practice). Going from a 15 to a 10 minute schedule will make you about 30% more profitable (Be sure and go back and listen to your audio recordings, consult with your coach, and reread our module on scheduling). We have to engineer our schedules to make our days more productive. It costs nothing while giving you the biggest bang for the buck as far as improvements go. Let me just use one example: In a normal hygiene schedule you frequently see one patient every hour or about 8 per day. Have a 20% cancellation rate and you are down to only 6 patients that day. Go to a 10 minute schedule and give them about 50 minutes to do a 6 month recall instead of 60, and you now have an extra 80 minutes a day to schedule a couple of more patients. Now if we still had a 20% cancellation rate (Goal is less than 10 with 95% of them being filled) you still have 8 patients to work on and have had less impact on your productive day. 2 patients more a day during an entire year (200 days) means at least an extra $20,000-30,000 more per year per hygienist. The smart guys are always looking at the numbers. Eliminate a majority of C&NS and we add another $30,000 in hygiene or a total of $60,000/year/hygienist. Imagine what you could do on the doctor's schedule.

Cancellation and No-Show Fixes:

- **Scheduling above goal**. Secret for super productive practices is that you always schedule 15% more production than your goal. Fall a little short and you still have a super productive day. Start hitting the goal on a routine basis. Then you raise it 5-10% and tie a reward or bonus to it. (Coaching Clients: Reread the module and listen to audio on profit sharing and bonuses to inspire your staff)
- **We make cancelling too easy**. Over and over, time after time while visiting an office the same scenario occurs. I can only hear one side of the conversation, but it goes something like this: *"Hello, Dr._____ office, this is Cathy, I can help you. Oh really. Yes. I understand. Well let us know when you would like to come in. Thanks*." You know what has just happened. Someone has called to cancel with some minor excuse, and your front desk person did not make it a big deal, failed to try and get her to keep the appointment, did not reschedule, and worst of all left it to the patient to call back. No effort, no consequences, no production. This is serious, and it goes on all day long. Start recording your calls and see how long it takes to retrain, redo your job description, or free up someone's future. Remember: Get the right person in the right seat on your bus. You will be appalled at what goes on all day while you slave back in your operatory. The phone is the most important piece of technology in the entire office. The person using this technology has to be one of the best people in the entire office. If she doesn't come across as being competent, caring, compassionate, and consumer oriented, you won't even get the opportunity to mess up the relationship, because the patient will either not schedule or schedule with no intention of showing up. If you think all the money you spend on marketing is not working, you may be

wrong. You could be getting hundreds of people to call, but no one makes an appointment because of how they were handled on the phone. It is called the "threshold test". What are you doing to make it difficult to get into your office? Poor hours, no outside financing, you never clean teeth on the first appointment, you don't take insurance…….. Nothing is a sacred cow. Relook at everything you are doing and why. Make it easy to get on to your schedule. If the answer to any question the patient asks is anything other than "YES". I am going to want to know why. Always measure what you want done. It is called the "Hawthorne Effect": What gets measured, gets done. In fact, every position needs to be measured by a graph, and used to manage the office by the numbers. So how do we make it a big deal? It should go something like this: "*Hello, this is Dr._____office, this is Cathy I can help you"*. (Listen to their story, and remember the person who asks the question controls the conversation). *"Mrs. Jones, we scheduled this appointment for 3 hours specifically for you. We confirmed the time and appointment yesterday by phone"* (It is not confirmed unless you talk to the person scheduled. Leaving a message is not a confirmation) *"Dr._____has two assistants set aside to help him in this procedure, and has a helicopter (Just kidding) from the lab coming to pick up your case."* Close with: ***"How may we help you keep this appointment?"*** (Then don't say a word. Wait for the response. Keep waiting. Do not talk. Not yet. A little longer. The first person to speak looses) this gets a lot of them. Let's say they still insist they cannot come in today despite your best efforts. The next script goes something like this: *"Mrs. Jones, if you will hold on a moment I will pull your records and get Dr._____ on the phone. He will want to discuss this with you personally"* (If a hygiene appointment, get the hygienist) All of a sudden they start

backstroking. They thought they could just call and leave a message, or beg out with someone that they had no relationship with. The minute the Doctor or Hygienist is involved, things change. I do this myself, and train every office we work with to do this. Will I come to the phone? Absolutely. We are about to have a "come to Jesus" talk. I can have this talk because I know we have eliminated the problem with *money* (We will give them what they want with multiple financial options at no interest for a year or two), *fear* (most of my patients didn't even know they were there, and time (We are open 6 days a week, and I am always on time) There are no double standards in our office. We walk the walk. The nice thing is that I often don't even have to make it to the phone before the patient changes her mind and comes in a little late, modifies the treatment, gets picked up by us, or actually tells us the truth as to why she was trying to not come in. Usually the reason revolves around money, fear, time, or trust. It can even be as easy as wanting to go with someone to shop or eat. You must have a skilled person orchestrating this encounter and it must be done in a scripted, methodical method to get consistent results. We define case acceptance as patients paying for treatment, showing up, and referring everyone they know. There is no plan B. We want 100% "case acceptance". Let's say even after talking to me she cannot make it. I never reschedule immediately. I do not want to look needy and in most cases I will try and have her prepay the entire treatment and not give her one of our peak demand times. I explain that if we make this appointment it needs to be a time that even if they died I would need a week's notice.

Using the phone well is a trainable skill that is will get you consistent results. This is the order of a normal call:

- Prioritize each call. We always use the last number on our string of office lines for

marketing pieces. If that number rings, it is a new patient. You cannot be doing 3 things and pick this up. We even place mirrors behind the phone so it would remind out staff to smile. Do not put people on hold!

- Introduce yourself to the caller.
- Answer common questions the caller may have.
- Take control of the call by asking a question and begin the close. The goal of any call is to make an appointment that the patient will keep.
- Utilize a dual alternative close to limit the options for the patient to make the appointment. *"Mrs. Jones, would you like to come in Monday or Tuesday" Answer: Tuesday. Would you like morning or afternoon? Answer: Morning. Would you like early or late? Answer: Early. We have an appointment for 9:30 am how would that work? Answer: Great.* You will notice that there is no wrong answer and each answer moves the patient down a path that limits their options and moves them closer to making the appointment. Do not minimize the brilliance of the dual-alternative close. It has been around for over a century, and it works every time.

- Wrap up the call by getting the name, confirmation numbers, and anything else you need.

The Phone

I have said many times, that the most important piece of technology in the entire office is your PHONE. Along with this is the assumption that the most important staff person is the one who picks it up when it rings. The problem is that the person who answers the phone may not be the person who has the most training, or the one you would most like to handle the first encounter with the patient. Phone training has to be intentional and planned with a result in mind. The result you always look for is a "scheduled patient". Anything else is unacceptable. Fail to measure this with a graph, (calls vs. scheduled patients) and you will not get the result you want. Prioritize your calls and understand that there are no cell phones used by the staff, and especially the doctor during business hours. Phone time is a personal intrusion on a job you and your staff are being paid to do. Misuse of the phone is often the number one reason for running late or off schedule. I was listening to several staff complain about how their doctor was always on the phone, when they asked me what I would do. I asked why he got on the phone in the first place, and was told: All of his friends, stockbroker, builder, wife …. would call and he would drop everything and go back to his office and start a conversation. I asked how he knew they called, and they said they would go tell him. Is it just me, or is this dumb. My answer was: *"Don't tell him"* Just tell the caller that he is with a patient, and have them leave a message and then *hide it* till lunch time, or the end of the day and then give them to him." You would have thought I taught a cave man how to build fire. They were dumb founded by my brilliance. Our office manual states that there were no, none, nada, zilch, ain't no way, absolutely no personal phone calls during business hours. I never broke the rule and I held my staff to the same standard. A major part of leadership has always been leading by example. Doctor, you are not the exception.

While we are talking about the phone as the most important piece of technology in the office, we need to address its care and feeding. If we look at a traditional office you will find that the phone is left unanswered for more hours than it is answered. We work 32 hours a week, but the phone should be answered 24 hours a day, 365 days a year. An answering service or answering machine will not cut it. The goal is to put a live person who has the power, training, and authority to handle any situation the caller may have. This is the plan. I pay my staff to carry an office cell phone that has all calls forwarded to it any time we are not in the office. The staff person has printed off the hygiene/doctor schedule for the next couple of days so that emergencies can be routed or scheduled, cancellations can be discouraged, and if they occur, the schedule can be modified that very minute. The pay was minimal to do this, but the kicker was that for every patient she scheduled for treatment she was paid a bonus of about $15-20/patient. This could result in 4-5 new patients scheduled a weekend and an extra $100 for the person who carried the phone. With this, we have added another layer of certainty that when we show up on Monday morning the schedule is full and productive.

Just a few more phone pearls:

- Use the phone number that is the last one in rotation for all marketing. Do not use the number listed in the phone book. In this way, when you see the last line ringing, you know it is a new patient. If you are hurried or trying to juggle 4-5 things at a one time, don't pick it up. You have to be mentally in the game when you talk to new patients. I would rather they have to call back than to get someone who comes off as uncaring, not compassionate, non-listener who puts them on hold. Horrible first impression that will never be overcome. Bad first impressions assure you of a lot of C&NS.
- Always give patients a way to reach you after hours. If you really don't want them to call, always take the time to give them your business card and then take the time to write down your personal cell number. Perceived personal access will

prevent them from calling. They will guard the number with their life and never use it, but you can bet they will tell everyone they know about you.

- Pre-Op phone calls. A couple of years before I sold my original practice, I began secretly doing something that transformed my productivity and almost eliminated all cancellations and no-shows with new patients. I worked with a couple of younger partners that were better looking, better with people than I was and were sneaking up on my production level. I guess I was proud enough to not want them to have them out produce, me so I secretly started looking at the next day and making a copy of the schedule with the names and phone numbers of all of the new patients that were coming in. We usually averaged 10 a day. I would just call and say: "Hello, this is Dr. Abernathy and was just calling to see if you had any questions or if I could do anything to make your visit tomorrow go more smoothly". Once again, it was like I taught a cave man to make fire. They were so pleasantly surprise that I had personally called they were taken aback. The result was that the next day, while 6 hygienists and 3 doctors in two locations were working, the hygiene light that indicated they were ready for a check comes on. This signals that one us needed to check hygiene. I couldn't do it all, and as the better looking, younger, better people skilled dentists rushed in to make a great first impression, they were met with a surprise. As they introduced themselves the patient would turn and say: "I was hoping to see Dr. Abernathy". Even if I was not in the office that day, many patients would allow the young doctors to check them, and then still make an appointment for treatment with me. Imagine. A simple phone call that makes an average patient act like they already knew me or were referred to our office by a trusted friend.

The affect: Less reservation, more case acceptance, and a happy referring lifelong client who never fails to show up.

The Comment Card

Let's add one more level of certainty that will insure fewer C&NS. The comment card is given to every patient that comes through our office. With this we are able to solicit feedback from each patient. The card has a prepaid business reply stamp that guarantees that it will be returned to the office if mailed. Statistically 92% of patients who have a less than perfect experience in your office will say nothing and never return. Give them the opportunity to vent and over 90% will return. This is a great investment and is used to modify every system in our office. I always assumed that if there was a bad comment about one of our staff, or some procedure, that there were at least 100 more patients who did not care to mention it, but were all the same not happy with us, and would not return or favor us with a referral. Get a poor report card, and you better take it seriously. Act upon it, and fix or improve the situation and C&NS diminish.

Insert comment card

HYGIENE

Let's spend a little time going thru the special requirements of hygiene and how we can minimize C&NS here. In our practice, the hygiene department produce one third of the total production per month. That was around $200,000 per month. It was not a loss leader for our practice. We engineered our hygiene to be the entry point for a majority of our patients. It was super important to get this right. Hygiene cannot be thought of as "just a cleaning". If it is, you will have all sorts of trouble in filling your schedule and having patients cancel or not show up. Below you will find a form that we use in each of our offices to insure that the patient understands that this is not just a cleaning. It creates more value to the hygiene department. This form was given to me by a hygiene consultant (Annette Ashley Linder) many years ago and works great. It is not kept in any chart (we are chartless), but is given to the patient to take home. For the first time your patients will actually understand the level of expertise and the procedures other than a cleaning that were performed.

Insert hygiene comment card

Like most of you, we pre-appoint 92% of all of our patients for recall at the time of treatment and this is done in the operatory. Technology allows us to schedule from the operatory by the one person who could best asses the true amount of time needed to treat the patient on the next appointment. Our front desk was tasked with taking the money and interacting with patients on the phone and greeting them at their arrival. Everything else was performed chairside. While we pre-appoint over 90% of our patients for recall, we only pre-book about 70% of any day. Keeping any one day with about 30% openings allows us to have peak demand time for our new patients in the future. Completely pre-book any day in the future creates blockages to processing new patients. If it takes you more than 5-10 days to get a new patient in for hygiene, they will go elsewhere. They will probably schedule with you, but will not show up.

One more secret on normal recall appointments, is to pre-appoint in 6 months, have the patient fill out the appointment card or recall card (They will recognize their writing and read it), and most important, have your hygienist write a personal message to the patient about something they discussed that day. The patient receives the card a couple of weeks before the appointment. Reads it because she recognizes her own handwriting, and sees the personal note and is taken aback by the fact that the hygienist could remember what they talked about 6 months ago. Very impressive and note worthy by the patient creating a bond to the office and makes it unlikely that she will fail to show up. We still call a couple of days ahead of the appointment to confirm that the patient will show up, but the system works incredibly well to help insure a consistent follow thru.

About 10-12 years ago, we started marketing free bleaching for new patients who paid our regular fee for a cleaning, exam, x-rays, and consultation. As a result of this, the patients who last week paid hundreds of dollars for bleaching felt slighted and were upset. Being the approval addicted over achiever I was, I immediately offered to give them extra bleach every time they came in for a cleaning at no charge and offered all their friends and family the free bleaching that I was advertising. Thus was born the bleaching or whitening for life strategy. It was not planned, but in hindsight it created a system to reinforce the patient maintaining and keeping their 6 month hygiene visit. The other ripple affect of marketing and attracting patients who wanted the free bleaching, was that this type of patient wanted all those nasty black mercury fillings replaced and really appreciated cosmetic procedures.

In recent years there has arisen no fewer than 12 companies that create a digital follow thru for your recall and confirmation systems. Listed below are some of the best. It is not a replacement for anything we have already discussed, but is an adjunct to them. This provides one way to reach out and contact those patients who wish to use digital contact as a way to lower failed appointments by another

Online Communications:

www.demandforce.com
www.smilereminder.com
www.lighthousePMG.com
www.uappoint.com

Same Day Treatment

This may seem a little counterintuitive, but offering your patients same day treatment guarantees they showed up. Hey, they never left. This works especially well to fill cancellations as well as adding production by

doing short productive things like single fillings. If your clinical speed is up to snuff, then fitting in a crown is even better. Note: You only add treatment if the staff says to do so. You never run over or ever run late. This is a system. You do not operate by the seat of your pants. If the procedure is considered not that big of a deal to the patient, and if they find this service convenient, they will always go for it.

How to fill a Cancellation or No-Show

We've gotten your failed appointments down to 8-9%, but we still need to fill that small percentage of patients that have C&NS.

- **The Morning Huddle**: Every morning before day begins you gather the troops for about a 15 strategy session. Where are any holes, who was not confirmed, who owes us money, what special things do we look for. We are looking for perfectly engineered hygiene and doctors schedules. Any holes that we see we all address and find a solution to end the day on goal with everything filled. For example: We have a cancellation from 1-2 today. We look at the hygiene patient before 1pm to see if they have any undone work that could be scheduled and if so they are contacted to extend their appointment on the doctor's schedule. We look at the hygiene patient coming in just after the 2 pm time and see if they have anything and would like to come in early to take care of it. We see if any emergencies are available to take the 1-2pm time. We averaged about $2,000-3,000/day of extra treatment just from our emergency patients. We look at the doctor's patient coming in just before 1 and see if they have work that could be extended into the opening. We had glass doors in our sterilization area and would take a dry eraser board pen and write down any changes or needs in the schedule in the sterilization area so that all day long everyone was aware of a problem time that needed to be filled. We were dedicated not to end the day even a dollar short of our goal.

- **Purge Sheet:** This sheet was used to purge our entire chart inventory by placing the sheet below on a clip board and having every staff person purge two files per day. Every person including the doctor did this. They would pull out the clip board along with the two charts to the right of it and if not current (They have not been in to see us in the last 12 months), they were placed on the purge sheet so that the front desk could reactive them by phone and letter.

The Call List: The call list consisted of patients who had scheduled but requested an appointment ASAP or said they were available on short notice to fill a cancellation or no-show. We also used it for single or simple crown seats. We never scheduled single crown seats ahead of time. We found that the patients would always want an appointment to seat their crowns during peak demand times (we wanted to save these for new patients and large productive cases). To create a super productive schedule, you must fill at least 60% of it with *Substantial Cases* (Anything at or above the fee of a Crown). It is impossible to reach a substantial goal just doing denture adjustments, emergencies, and single fillings. Let me give you an example: If your goal was $6,000 a day in production, and a crown went for about $1,000, then you would need $3,600 or about 3.5 crowns(60% of your day in *substantial cases)*. If you had 3-4 crowns on your schedule, it will be a "good" day. Have more, and it will be a great day. Fall short of the substantial case goal and everyone knows it is a full court press until we get the right number. No excuses, just getting it done. You should consider the *substantial case* the "bricks" that build your production, while the seat crowns, single fillings, adjustments and other small unproductive cases are the mortar that fills in the rest of the time. You are essentially building a wall of production for your successful schedule. To get the patient to do this we used this script*: "Mrs. Jones, it should take about 2 weeks to get your crown back from the lab, but rather than making the*

appointment today why don't we give you a call the minute it comes in so that we can get you back as soon as possible". This makes perfect sense to the patient and sounds like it is designed to benefit her. When you are ready to have her come in and seat the crown, you merely use the dual alternative close to get her to come in during a non-peak demand time around other more productive treatment in the future. It would go something like this: *"Mrs. Jones your crown is in. Would you like to come in Monday or Tuesday? A: Tuesday*
Would you like morning or afternoon? A: Afternoon
Would you like early or late? A: Late
We can see you at 3:15pm. How would that work for you?"

This works incredibly well. Doing it the other way, you make the appointment 2 weeks away and the crown may not be ready, or if it is, you find that during the passage of the 14 days it took to get it back, you needed to schedule a large case at that very time, but because of the conflict you had to put off a substantial case to service the minor appointment. This is not engineering the schedule for maximum productivity.

New Patients: A well run general dental practice should be attracting about 50-60 new patients per doctor each month with a large number of them being direct referrals. Having an ever increasing number of new patients along with the healthy hygiene that goes along with that, insures a never ending source to fill cancellations and no-show. We averaged 200-300 new patients per month for three doctors and 9 hygienists. We could always find a willing patient to come in early, or stay a little later to finish up their work and help use maximize our time. This is just one more source to draw on to fill that failed appointment.

Emergency Patients: How you handle an emergency patient says a lot about the level of training and ownership your staff has in the practice. 99% of what we do with an emergency patient is handled by a staff person. Someone calls in with a tooth ache. One question is always asked of each caller. *"How soon can you be here?"* We always had one more operatory than we needed each day. We always had the capacity to fit in an emergency or productive surprise. So the patient arrives and is immediately taken back to our extra room. The assistant takes x-rays, history, finds out what the patient wants, and what their budget and dental IQ are. She basically triages the patient. She tells the patient what she sees without actually diagnosing the case. She also tells the patient what I will probably suggest if they want to save the tooth. They briefly discuss finances and she comes and gets me. As we walk down the hallway she might say: Numb number 19. I don't have to ask if we have the time, what we are doing, or if the patient can afford the treatment. My assistant has already done everything. I confirm the diagnosis, and confirm the patient's wishes, and proceed. Another scenario might be that as we approach the room she says "prescription". I know the patient can't afford to fix the tooth, or we do not have the time, and that the future appointment is already booked. I do not start treatment without the staff giving me the go ahead. Doing this would guarantee that we would run behind or create problems in our accounts receivable. The staff runs the schedule and they "own" the process. They understand the business of dentistry and they know how to serve our patients. Let go and let your staff finally grow as a team.

To Confirm or Not: A couple of years ago, I was taken aback by the idiocy of some speakers and consultants that came to the conclusion that we should not confirm our patients appointments because, and I quote, "it would make our patients dependent on us to remind them". I am sitting at the back of the room thinking: "Exactly"! Do

not confirm and you can count on them not showing up every time. I want the patients to depend on us. We are consumer driven and the consumer wants and needs to be controlled and guided into the behavior we want. Another way to look at this is that this confirmation time puts you in front of them one more time. It gives you one more encounter to identify any blockages or uncertainty in the patient and then deal with it. We want to take all of the blockages off the table so that there is nothing that would prevent the patient from showing up.

Urgency: The final puzzle piece is essential to closing the back door on your practice. The ideal dental encounter goes like this. The patient just walks into to have their teeth cleaned, they are diagnosed and offered same day service, they accept, pay and the chair is reclined and the service delivered. No cancelation, it is paid for, no buyer's remorse, and you have the perfect encounter. There were no delays or handoffs. The patient came in and never left. Any other situation increases the chance of a poor handoff, not getting paid, or the patient not showing up. If you have ever watched a track meet the final competition is always the team relay. Four runners with a starter, 2 handoffs, and the anchor. Everyone knows the race is won or lost on the "handoff". Fumble the baton, stumble, start too late or too quickly and you lose the race. The world is filled with Spectators and 2nd and 3rd place finishers. You need to show-up, start on time, and finish well. Urgency is the glue that holds the entire system together. We use *urgency* to impress the patient of the importance of follow thru, tie them to each staff member that has interacted with them, and create phantom pressure to complete and pay for treatment. Here is an example of what happens. **(Note: For our coaching clients: Be sure and follow every step of "100% case acceptance". Leave one step out and you will not make your goal. Each step was designed to get you a specific response from the patient.**

I come in to check the hygiene patient. The hygienist takes a moment to let me know what the patient wants (the patient had sensitivity on tooth #19 to pressure and cold. They have an existing large Amalgam filling with a cracked mesial buccal cusp that is clearly shown on the intraoral photo on the monitor) and what they need (A Crown). I confirm and reinforce the treatment plan in the matter of just a minute or two and turn to the patient and say: *"Mrs. Jones, we need to get you in as soon as possible and fix that cracked tooth before it is lost or turns into a root canal or worse. Whatever you do, do not eat anything on that tooth before you have it restored."* I then turn to the Hygienist and say: (The hand-off and Urgency) *"Sandy, whatever you do, get Mrs. Jones in within the next 24-48 hours, even if you have to get Cathy to move someone."* The patient is listening and hears the urgency and hears that we are going to go out of our way to make sure she is put to the front of the line. We think this is urgent and we are transferring our urgency and enthusiasm to the patient while involving 2 or 3 staff people that she would have to disappoint by not following thru with our suggestions. Sandy escorts Mrs. Jones to the financial secretary or front desk person and once again ties urgency to the follow thru of scheduling, paying, and showing up for this very important procedure. *"Cathy, Mrs. Jones has a fractured tooth on #19 and needs to get in as quickly as possible so that this does not turn into a root canal or lose of the tooth. Dr. Abernathy said to get her in within 24-48 hours even if you have to move someone."* Now Cathy studies the schedule as if this is going to be difficult (We all know we have the next couple of days filled with holes, and we could fit her in any time). She looks up with that caring concerned look and says (Dual Alternative Close): *Would you prefer Monday or Tuesday? A: Monday. Would you like morning or afternoon? A: Morning. Would you like early or late? A: Early. We have 10am this Monday. How would that work for you? DONE!*

Cancellations and No-Shows will always be a challenge and probably the bench mark separating the good from the great. Have you and your staff read and reread this module. Role play, rehearse, and script every step of your patient encounters. Add to you tools to move the patient into, thru and out of your practice in such a way as to inspire them. If you are not growing in number of new patients, profitability, and lowered overhead you are not inspiring those patients. Remember: Loyal inspired patients do not cancel. And great practices do not tolerate Cancelation and No-Show rates about 8-9%. Take charge of your practice and your future.

CAUGHT BY CAPACITY: WHY WE STOP GROWING

I just got off the phone with a doctor who had too much experience, too little situational awareness, and a complete aversion to implementing change. This was the good part of the call. He had contacted me to go over his numbers, P&L, and schedule and asked that I offer some insight to the "state of the union" for his practice. Seemed like a very nice doctor who was open to hearing what I gleaned from the numbers. By the time we finished a two hour conversation I apparently had completely alienated and misread him. As far as I can remember this is the first time this has ever happened. After discovering this, I was so depressed, that I even called Max to talk to him. If you're looking for sympathy after something like this don't call Max: He has been there, done that. I really felt that I had given this doctor a fair assessment of his practice along with what it would take to create a potential for growth, and in this case I even sugar coated some of the conclusions. It was really worse than I shared with him. He commented that before the call he felt great about his practice, and now it would take him some time to get over the call. He added that while my analysis had some valid points, but he felt that he could make any change necessary. That I was far too negative and that he felt wounded by my comments.

Here are his practice facts:

- DDS is age 50
- Minor savings
- Four children, the youngest being twin girls that are 5 (If you have not paid for your daughter's wedding yet, don't call Max for sympathy. He had two in one year)
- He desires to retire by age 60 or 10 years
- He wishes to be debt free and have a lump sum of $4,000,000 or greater. His debt is close to a million dollars
- The total amount of possible inheritance was less than $200,000 **(If he is going to accumulate the money, it will have to come from the practice)**
- He worked 22 hours a week: Monday, Tuesday, and ½ day on Thursday (Less than 3 peak demand times a week)
- Produces $75,000/month
- He does produce over $7,500/New Patient
- Averages 13.2 new patients a month (Less that 25% were direct referrals and therefore is not inspiring the meager number of patients he is getting.)
- His overhead exceeds 70%
- Hygiene only produces 18% of the revenue (It should be 33%)
- Ratio of DDS/population in his zip code was 1/638 (It needs to be at least 1/2000. This is a very competitive area)
- Average house hold income in his area was $31,000
- He lives in one of the most competitive areas in the North East, most expensive economies in the US, and a very low economic earning capacity with diminished education levels.
- He is waiting for the down turn to blow over. *It will not*.

He commented that if he could just produce $125,000/month everything would fall into place. He added that: "I know that my practice is in the top 1% of all

dental practices in the United States". He feels he just needs some coaching to put him on the right road.

At this point I almost fell out of the chair. In the face of terrible numbers and a questionable economy and demographics for his area, he felt he was in the top 1% (Maybe the lower 50%, but definitely not the top 1%). Once again, I felt like I was playing "Truth or Consequences". In a case like this I try to ask myself what Max would do in this situation: Tell him the truth or save it for another day. I chose wrong. He could not handle the truth. I pointed out the difficulties in increasing new patients in the most competitive areas for dentistry in the US. In fact I offered to send him an article about donor practices and recipient practices. While I tried to sugar coat the bad news, he was indignant when I told him that most general practices need 40-60 new patients a month, that their hygiene departments will generate 33% of the total production, the office was open at least 32 hours a week during peak demand times, that we try to push our clients to have a 50-60% overhead, and that even a recent graduate can produce over $75,000/month by the end of 12-15 months with the right location and proper coaching.

That just about did it. There was nothing but silence from the other end of the phone. He asked if I thought he would be able to make the changes that would give him the goals of retirement in ten years, all debt paid, and $4,000,000 in hand. I replied that while anything is possible, I doubted that most doctors in his situation would be willing to do what it would take to make this happen. That to accomplish this feat there would need to be a *full court press, whatever it takes, no do-over* approach to his growth practice. Most doctors are just not willing to make a commitment like that. It was as if I had called him a name. I just wanted him to understand how difficult the task would be. He ended the call and even though I offered to help him at no charge and even sent him more information on his situation, he was sure that I would not be able to help him. I was left scratching my head and wondering how I could have done better. I did this doctor an injustice by not making the information more digestible. Bad news is that I really never got around to the real reason I felt that he would struggle to improve his situation and be able to retire with $4,000,000 at age 60. All this to

say: That every practice is working at capacity. This practice **IS** a 70%+ overhead practice that inspires less that thirteen new patients a month, owned and led by a doctor who never learned how to save for the future, or strategically run a small consumer driven business. His numbers or statistics are the result of how he operates every day: Hours, systems, staff, personality, fees, overhead, location… If you want to grow, you have to embrace change, inspire your patients, and act. Doing what he does, when and where he does it will not change the numbers. If he wants to take his practice to the next level, he has to get there first. Sometimes a change in circumstance requires a change in direction. A change in direction requires overcoming the momentum of what you created in the past. It is this momentum that creates the "capacity" of your practice. That momentum, if you are doing well makes it even easier to continue your winning ways. If the momentum is in the wrong direction, you are faced with a difficult task of turning the practice around. You basically will expend almost all of your energy fighting that momentum just to stop the bleeding. Once the bleeding is under control, you have to come up with another burst of energy to make the changes necessary to start all over again in the right direction. Everything counts. Everything matters.

So what is Capacity? *It is delivering a service to a patient when they want it in a way that they can afford it*. If you think about it we all have a "General Practice". I know that some of you bill yourselves as a "cosmetic" dentist, sedation dentist, or implant specialist, but you all started as general practitioners. For most of us, the longer we practice, the more income is derived from crown and bridge and higher end elective cases. You could even say that everything but an extraction is elective. As we age, our competence and confidence should increase. With this increase in knowledge and comfort discussing treatment, we should become more profitable. This is where it all breaks down. We do not all progress in our careers. We do not all have choices. We forgot to program in down economies, poor habits, lack of learning and even less application of what we learn, and even successfully ending two or three marriages prior to finding that right girl some 20 years our junior. We begin to coast. This leads to drifting, and drifting leads to finding ourselves in places we never wanted to go. We find

ourselves a statistic. We made the curve. We became the average dentist. The statistic with no choices at the end of a career of affluence lived beyond our means. We face dying in our practices because we never learned to save. We stopped a long time ago living a purpose driven intentional life filled with goals and accomplishments. We forgot why we got into the profession and where we wanted to carry our practices from day one.

Well, I have a solution; a plan; a life's strategy. It is never too late, it has always worked, and it will work for you if you will embrace it. It is the chip I wear on my shoulder and I call it "a little guy attitude"

When it comes to football it's size and speed, speed and eye hand coordination in baseball and tennis, add the perfect genes and early childhood training and you have the making of a super athlete. It was not to be, for me. I must have been about 13 years of age while weighing 80 lbs. and 4 foot nothing lined up against another 7th grader who was 6 ft. tall, receding hair line, and a day's growth of beard, that I realized I was not gifted with "natural" ability for sports. I guess I still resent the A-team guys who seemed to always be in the lime light and got to date the cheerleader. Every one of us comes up short on something. We were not quite as big, as smart, or good looking. That's why I have the "little guy attitude". I am always looking for a head start or an edge to compensate for my short comings. I embrace Jim Rhone's, the "Ant Philosophy".

- **Ants never give up**. They come up against an obstacle: They go over it, around it, or under it. They never give up. Ants think winter all summer. You can't think summer all summer. You need to save and plan for the future. Ants think summer all winter. **Always optimistic**. The first sunny day, they are out working and thinking summer all winter. Weather changes, they are back under ground. We could all benefit by being more like ants. Persistence and foresight win over shear talent any day.

What could this possibly have to do with dentistry? Everything. My fear of failure coupled with an obsession to do better than anyone else, drove me to excellence in my chosen profession. Lessons from a life of wanting to do better can be a help

to everyone. Read and embrace these bullet points to become the dentist you always knew you would be.

- **Situational awareness**. Stop denying the facts. They are what they are. If you have been in the same location for 15 years you may be in the wrong location. Demographics, economy, race, and income levels change. You need to also change. On a golf course you don't play the entire game with a putter. There are different clubs for different lies, wind, and distance. Be flexible. Be proactive. Adapt.
- **Fail forward**. Everyone fails. You only really fail if you don't get up. Want to succeed? Double your failure rate. Do something. Act. I find too many doctors demonstrating paralysis through analysis. Even with what you guys pay a coach, you fail to act on strategies that are proven to get results. You give change and action lip service. Act now. Waiting is over rated.
- **Never give up**. It is never too late to change your circumstances. We have all had hiccups. Each of us has a story. You can change the ending to anything you want.
- **Embrace change**. When you are done with change, you are done. Over the last thirty years the one constant in dentistry and every small consumer drive business has been change. In addition to yourself, you need to surround yourself with staff that also embrace change with positive expectancy.
- **Every practice works at capacity**. If you do not like your results start increasing the rate of change. We have all heard that doing the same thing over and over again and expecting a different result is a symptom of insanity. It is not going to get better by itself. You have to take the steps to insure a positive result.
- **The strength of your practice systems will ultimately determine the range of patients that you can inspire**. A practice based solely on the personality and charisma of the doctor cannot be sold. Remove

the doctor and the practice fails. Only systems make your practice reproducible. One based on systems, leadership, staff, and purpose is reproducible and extremely valuable

- **The only limits to practice growth are those you have consciously or unconsciously imposed on yourself**. Most practices that struggle are held captive by the expectations of the doctor. If you want more, you have to be more. Nothing happens by accident. Million dollar practices are created, they don't just happen
- **Balance.** We all have our dance cards full. You begin something new, and you have to give up something to fit it in. We all cheat and steal. You will either steal from your family, faith or business. Choose wisely. We all have the same amount of time. Keep in mind that on every grave stone is a born on date, a dash, and a use before date. We spend our entire lives working on the "dash". What will your dash say about your life? If you would like to see a preview, pull out your check books and look at what you spend your money on. Your money will be where your heart lies.
- **Give back.** Part of learning life's lessons is teaching life's lessons. Take the time to mentor someone.
- **Don't believe your own press or what others say about you.** This was a hard one for me. Always be able to look in the mirror and see the real you.
- **Every practice has a range of patients it can inspire.** If you are not growing, you are not inspiring you patients. Inspiration means referrals, and unlimited growth. You can't get better at giving patients what they don't want. Never get caught thinking that patients only want what you have to sell them. Listen and happily give them what they want, and tell them what they need.
- **Say thank you to those who helped you.** The first job of a leader is to define what is core. To cast the vision. The last job of a leader is to say thank you to all those who got you where you are.

- **Become a Leader.** Everyone needs to be the leader in their practices. Enthusiasm filters down from the top. Your staff and business needs direction. Step up and become the dentist you always wanted to be.

Practice growth and profitability can be very predictable. Call my cell at 972-523-4660 and let me help you create choices for you and your family.

Michael Abernathy DDS

Age, Expectations, and Results

As is often the case, a doctor posed an interesting question. Allow me to set the stage: This was a young doctor, who purchased a practice for too much money from a retiring doctor, inherited the old staff, hired Summit to make some improvements in the practice, has become disillusioned with the old staff, old staff is slow to adapt and slow to show improvements by follow thru and getting results, doctor becomes fed up with a front desk staff member, plans to free up her future, calls me with a question. He tells me, that the staff that he inherited with the purchase of the office are impossible to motivate. He feels like he has to micro-manage everyone and always check to see if they actually followed thru with what they said they would do. He goes on to say that: "I am interviewing this potential staff person in 3 hours for the front desk. What should I do and what should I ask her?"

This is a common situation, a simple problem, with not such a simple answer. For some reason I felt I had to give him the long version of what should take place. The real: What, when, where, and how of selecting, integrating, and successfully hiring the next "core" staff member. You'll notice that I said CORE STAFF MEMBER. Nice thing about an economic down turn is that there are lots of great staff and doctors just waiting for an opportunity to work for you. You have

what we call a “target rich environment”. There will never be a better time to upgrade your staff and free up marginal staff members that just are not up to the task. The problem is that you have to become the leader that makes the right decisions in a timely fashion. Your goal should always be to bring in someone that has people skills, is self managed, and enthusiastic about learning and performing their job. A “core” staff member is someone who puts the team and your vision above their own interest. They get it. They own the problem, and they deliver the results. Anything short of this is not acceptable. You feel like they truly make the patients and your job go more smoothly. Without them, the team would not function properly. Think about. Why would you hire any other kind of employee? Why settle for less? Why would you pay someone to make your life miserable? I have never regretted freeing up someone’s future, only waiting too long to do it.

As far as motivating your staff, it cannot be done. You can inspire a great employee, but motivation comes with the candidate. You hire for attitude and train for competence. They should appear at the interview with motivation and people skills. This is what you are hiring. Not 10 years of experience. I would have to say that some of the worst hires I have ever made had 10 years experience and some of the best had no dental experience at all. It all came down to attitude and self motivation. As a leader your job is to hire the best person available, train them well, and give them authority to do the job and then get out of the way, and let them do it. In Leadership your first job is to define reality. What is core in your practice? What are your expectations? How do you measure the results you expect? It is called the “Hawthorne Affect”: What gets measured gets done. Vince Lombardi said it best when it comes to motivation. Following a winning season, the coach was asked: “How do you motivate your players?” Coach Lombardi turned to face the reporter with a stern look and sneer and replied: “My job is not to motivate my players! It is to keep eleven motivated players on the field”. This is pretty black and white. Stop hiring experience thinking they can be motivated. Hire the candidate with motivation and people skills, you can teach anybody to suck spit.

Let me finish with the short outline of the answer I gave the young doctor with six steps to only hire core staff.

1. **Have a great policy manual with detailed job descriptions**. No one took a job wanting to do it poorly. The problem is that without a detailed job description you are constantly changing the employee's responsibilities without letting them know. It is not uncommon for me to have the doctor write the job description of his assistant, and also have the assistant write what they think their job is, and upon comparison, find out they do not even resemble one another. This is probably the number one reason your staff fail to shine. They develop an attitude of indifference to avoid conflict. They hide to not be picked on. Get Patrick Lencioni's book, "Five Dysfunctions of a Team". Read it. Re-read it. Apply its principles. One last thing. Your policy manuals and job descriptions are never finished. They must constantly be reviewed and updated to reflect your continual improvements and expectations. Find a problem and solve it. Add it to the policy manual.

2. **Remember: You are always hiring and interviewing**. It goes back to the strategy of always looking to upgrade your staff. As manager, you can never rest on what was good enough yesterday. Your current staff must always be willing to change and grow. If fact, add the ability to embrace change as a key trait of a core staff. In a since, your staff needs to see you as a consistent, caring, leader that challenges not just the staff, but also themselves.

3. **The part-time staff member**: We always had a part time staff member that really was a "Girl Friday". She was one of the most important people in the office. A part time front desk or clinical assistant who was as good, or even better than our full time staff. Psychologically the full time staff stepped up their own game knowing that if they failed to inspire our patients, stay self motivated, and produce results, they could be replaced. This part time person also was able to fill in for pregnancy, illness, or vacations. This may

sound a little harsh, but you staff should be a little concerned about being fired for the right reasons.

4. **Always measure what you want done**. I have a little brother who is a landscape architect. Before he leaves any job, he always says: "Green side up guys, green side up." In other words there are always one or two things in any job that should be your primary focus, or in his case, keeping the green side up. For example: Hygiene we always measure the production on a weekly basis, the number of crowns presented, and the number of soft tissue scaling cases begun on a weekly basis. If a hygienist was doing all of these great, they would be doing a good job. Front desk might be the % of appointments kept, % of money collected over the counter, and conversion rate of calls to appointment. Do these well and you know you are inspiring patients and doing a great job. As I said before it is called the "Hawthorne Affect": What gets measured, gets done.

5. **Consequences**: Do everything correct and leave out consequences and you are destined to have just *a group* of people working for you. When I asked a doctor: "How many people do you have working for you?" He answered: "About half of them". The sad reality of leadership is that you have to make the tough calls. What you allow, you empower. Fail to act quickly to eliminate marginal staff says volumes to those trying to perform at the top of their game. You are either a poor leader or a fool not to eliminate marginal players. Having a staff does not mean you have a team. Most of you only have a *dysfunctional group* of people hired to work under the same roof. Your goal as a leader is to develop *the team*, not *a group*.

6. **Become a better Leader**: You might ask your staff: "What do I need to do to become the boss, leader, or doctor you thought I would be"? Feed your mind with great leadership examples. John Maxwell's monthly email newsletter is one of the best sources I know. It is called "Maximum Impact". It will build a better leader, and you will build a better team. I told you what the fist job of a leader was: Define reality or what is core in your practice. Number two is to preserve this core while embracing

change. The final job of a leader is to say "Thank You". No one ever had a great practice with the help of dozens of people helping you.

7. **Embrace the "Staff Owned" model of practice management**: We have always preached a Purpose Driven, Doctor Led, Staff Owned business model. The ownership mentality of the staff comes from involving them in the decision making as well as giving them the numbers. Teaching them the business of dentistry. Relying on them as a partner in your practice growth, and rewarding them with a well designed bonus system. Never be afraid of letting someone go. Your expectations and growth will automatically attract a better candidate for the position. Always use your staff to make the final decision on who to keep or who goes. They are more intuitive and will be better at understanding who will fit with the team in order to make it grow.

Never stop learning. Find a coach and grow your practice. Our Motto has always been: Produce More, Collect All, and Keep Half. Staff hiring and upgrading is an integral part in getting the results you deserve.

***Epilogue*:** It all funneled down to this. There are only two types of employees. Employees that need to do more training, and employees who need their future freed up. Think about it this way.

- *An employee makes a mistake*: This is your fault. You either did not have an adequate job description and policy manual or you did not train them well enough by communicating the job and your expectations. You retrain them in the fashion that they will learn their job (Everyone learns differently). Their job is to give you the results you are paying for. I keep hearing that "we don't have the time to train our staff". You do seem to have the time to rehire, fire, tolerated mediocre results, and have a marginal profit from an average practice.

- The same employee makes the same mistake: It is their fault. They are formally reprimanded and asked how they and we can prevent this

from ever happening again. We also mention the consequences of failure to follow the policy manual, and job description to the letter.

- *The same employee makes the same mistake again*. Your fault if you do not free up their future. Your actions or lack thereof say multitudes to the rest of the staff. Lack of action will lead to the lack of a team. Make the hard decisions and reap the benefits.

The young doctor is one of those clients who have decided that last year's results are not worth repeating. He hired Summit, decided he would do whatever it took, and is up 20% in production over last year, increased new patients by 30%, and lowered his overhead by 6%. He is a Doctor who has problems and works to solve them, and makes progress. This will not be the statistical "Average Dentist" who at 54, has been involved with drugs, divorce, financial insecurity, and wasted his professional career. He will have choices. Call us and let us help you have a better choice.

CYA 101

While speaking to coaching clients and attendees to speaking engagements, I am finding an alarming lack of knowledge about malpractice and State Board complaints. You are likely to be threatened with a lawsuit at least once every 9 years of practice. The State Board Examiners are required to investigate any complaint against any licensed individual under the Dental Practice Act in every state. The bummer is that the investigation or lawsuit will progress regardless of merit. Two things happen: You are convicted or you are acquitted. If convicted, you are limited in your appeal, and it is almost guaranteed to fail. Less than 10 % of cases that are appealed actually are overturned. The bad news, even if you win, the cost to defend yourself in court will be around $100,000. In addition to the cost, the litigation and review of the complaint can take years to reach a resolution. These months and years translate into sleepless nights, anxiety, and a change in your perception of dentistry and patients.

When the State Board "comes calling" or the registered letter from the lawyer representing the patient that you thought loved you arrives, they will be requesting your records. You contact your malpractice people and they will want to see the records. The sad fact is no one is looking at your records in a positive light. The board is not just looking at the stated complaint but also the entire requirements to meet your Dental Practice Act. Dismissal of the original complaint may still carry hefty fines and sanctions from your board when they discover a lack of detail in your records, failure to take BP or any other requirement of your state. The Malpractice people look at the chart to determine if you committed gross negligence. They do NOT cover gross negligence. You can only be a little negligent to be able to take advantage of your policy. They consider gross negligence to include any procedure not performed to the requirements and standards of a specialist. For example: Not using a rubber dam during an endodontic procedure. Use a rubber dam and fail to note in the records of its use means you did not use it. Read any record and assume a hungry under paid lawyer will use it to make you look stupid and you will get the idea.

Every thing must be written as if it was far a court case read by an adversarial jury, state board, and predatory lawyer. They will attempt to present you as a rich, uncaring, incompetent, money hungry, parasite on the wallet of society. You think you've had a bad day up until then, think again.

Let me give you five areas of advice as far as entries that should always be in your records. If you are chartless then these entries should be standard operating procedure for every entry.

1. Every procedure should be pre-written in your computers as if they are a text book for that particular procedure. Click and drag into the appropriate field and then modify it by adding even more detail. They are written as if you could alter a bad result prior to a litigation to make yourself look great. You must anticipate what the perfect entries for an Endodontic, Crown and Bridge, Operative, Emergency visit would look like if you actually had the time to perform and record it perfectly every time.
2. Every entry should begin with NCMH. This translates to "No Change in Medical History". I once asked a patient if his medical history had

changed. His answer was no. It was not until after I removed his infected tooth that he told me that he had a small heart attack last week and the reason he was here was to make sure the tooth did not hurt during his pending recovery from bypass surgery on Tuesday. You could not have driven a pin with a sledge hammer up my bottom when I heard that.

3. Next entry needs to be: ADRA: Which stands for Advantages, Disadvantages, Risks and Alternatives. This should also be accompanied with a signed informed consent. Failure to do this is "gross negligence". In case you don't remember means no protection and adios to your retirement account.
4. After importing the #1 into the body of the notes follow it with TPW. This stands for "tolerated the procedure well". This eliminates the possibility of a patient telling the board or a court of law that "from the very start everything went bad and you did not even care". It should be your protocol to call or have your staff call and record this in the patient record along with any response the patient might offer at the end of the day as even further protection.
5. Both DDS and Assistant must initial the record at each appointment. Claiming the assistant wrote the wrong thing or ignorance of what was recorded or left out is not a defense for the state board or courts (the lower case use for state board and courts reflects my lack of respect for both).

Let me close with three further axioms you should incorporate in you practice.

Inform before you perform.

Get the money up front. The majority of lawsuits are filed by women over forty, who owe you money, could not find you on Friday-Sunday for a problem and will always involve another dentist who criticizes you work.

Always work on friends. Friends don't sue friends

Always guarantee your work in writing. You cannot guarantee a result but you can guarantee the patients satisfaction. We had a warranty for 5 years in

which we would replace or refund their money as long as they kept up with their 6 month checks.

Good luck and CYA. It is a jungle out there.

Something Evil, This Way Comes

(Buyer Beware. Seller Beware)

I admit it. I have what some would describe as a fatal flaw. I am a crusader. If I see someone being taken advantage of, I react as if it happened to me. Well this time it was an email and conversation with a young female dentist who graduated from dental school, moved to a new location with her husband, and immediately fell prey to a company that concentrates on brokering sales and transitions nationwide. The deed was done, and for the most part, the damage. I found it hard to conceive that it was as bad as this young dentist described so I asked her to send me the document to review. I hate to tell you, but it was worse than she realized.

She bought the practice for 15% more than it is worth. The national brokerage that sold the practice was "kind" enough to represent both parties; dual representation. This is illegal in most states and unethical in all. This group even brags and touts the benefits of their "dual representation". It's kind of: Put all your eggs in one basket and make sure no one else gets a slice of the pie. Now this group has been around for a while so they were very careful to place several clauses in the agreements that they originated saying that both parties agree to have their attorney's read and OK this document before signing. At the same time they represented their documents as contracts that have been used

hundreds of times with no complaints. This alone would cause the young doctor to wonder if they really needed to spend another two or three thousand to have another attorney review them (Big mistake). They also placed a disclaimer stating that when everything goes to hell in a handbag, both parties agreed not to involve them in the litigation. They have their money and are free to do it again.

At least they were "kind" enough to only charge the Seller 20% and the Buyer another 10% of the sale price. They probably ended up with more money than the seller after all the attorneys and broker fees were paid. Can you imagine, 30% commission for what you are about to find was the most unfair contract I have ever seen. A normal broker charges 10% (and that is about 5% too much) to only the seller. These guys were double dipping. *Triple dipping*. A lot of these brokers will also suggest that they can secure the financing for the buyer at a reasonable rate. They do fail to mention that they receive a 2-3% marketing fee for the entire loan amount from the lending institution. I have even seen the same people offer to supply an insurance agent to write the disability, and life insurance to fund the buyout in case of a disability or death. You got it: They don't tell anyone that they are getting 50% of the commissions on the insurance portion. The only place I have ever seen such an underhanded handling of a financial transaction, is when a loved one dies and you are brought into the closing room at the funeral home. How do these people sleep at night? I've got to wonder why someone hasn't gone postal on them. I know, why would either party sign such an unfair contract? Wait till you here the details. The young dentist said that the representative of this broker assured her that this was a standard contract that was very fair and added great value to the sale. When she asked me if he had lied to her, I had to ask: "Were his lips moving"? She answered "Yes". I responded, "If his lips were moving, he was lying."

These are the details:

- She was charged some 15% more than market value.
- She had to hire the selling doctor back for 5 years and pay him 40% of his collections and pay his lab. (This guy has never, never, never, in his entire career made 40% of his collections when he owned his own practice) Now

she is saddled babysitting this guy for five years while trying to meet her loan obligations.

- She can't fire him without cause. This is different from other employees that are at will. He basically has to start dealing drugs, loose his license, or die for her to get rid of him.
- There was a "Non-Compete" for the Selling doctor, but it begins the day he sells the practice and lasts only three years. In other words, he can't be fired, he makes more than he ever did, and at the end of five years he can go next door and set up the same practice because the non-compete has lapsed. In effect, he has no non-compete.
- She must allow him to practice two eight hour days a week and supply him with an assistant, a front desk, and hygienist all the while he claims he is an independent contractor. This requirement makes it impossible to claim independent contractor status.
- He owns the building, and low and behold the lease runs out the day his contract expires. Are you getting the picture?

The young doctor is saddled with a huge note payment, all the patients still go the selling doctor who she cannot fire, all the staff follows his instructions and not hers, he continues to charge things to the practice unilaterally, steels staff away from the office for his personal needs, while he controls the practice, staff and real estate. Not a bad deal for him considering he already pocketed hundreds of thousands of dollars.

This situation has nowhere to go but down. The practice will fail. The young doctor will go under. The older doctor will take back over as if nothing ever happened and he will go out get the same conniving, thieving, crooked brokers to represent him in another deal next year. Once again, the broker will get 30%. Someone has to educate the buyers and sellers as to what is normal in the market today. This group is all but printing money. The bad thing is that they have done such a huge job of stiffing the buyer and seller that they won't tell anyone. If you went along with this deal, would you tell

anyone? The old adage of there is a sucker born every minute is doubly true for dentist.

Buyer beware: There are black widows out there ready to eat your lunch. Ignorance favors the greedy brokers. Go into a transition without the history, knowledge, and mentor to help, and you will always be the bug and they will always be the windshield. I will have to say that my ire is not directed at normal brokers that might earn a portion of their inflated commissions, but specifically at two of the largest national brokers in the US. I'm not saying they always take advantage of their clients, but they have come out on top with everyone I have ever met. **Buyer Beware**.

THE 8 STEPS OF A 200 NEW PATIENTS A MONTH PRACTICE

I want to show you how getting over 200 new patients a month is a predictable, systematic reality if you are willing to follow a very strict formula for practice growth.

In the last editions of the Profitable Dentist we spoke about Donor and Recipient practices (If you missed the article let me know and I will make sure you get a copy). To summarize: You cannot get better at giving patients what they do not want. If you are not growing, you are guilty of being caught pushing treatment that the patient doesn't want, can't afford, and in their opinion, possibly does not need: You are not inspiring your potential clients. That article gave specific steps to identify and correct the "Donor Practice Syndrome".

Over the last 20 years of my practice, we easily averaged over 200 new patients a month. There are black and white, step by step, strategies to insure any number of new patients you want, if you follow our system of New Patient Attraction and Enrollment. Because of the limited space I will outline each of the basics and steps as prerequisites to attracting, inspiring, and creating lifetime patients for any practice.

1. **<u>The Marketing Axioms</u>** state: "Good practices" do not need to market. They already attract lots of patients through great systems, a caring and compassionate staff and doctor, and are the epitome of the "Recipient Practice". Even though they don't really need to market, they should because they are doing everything right, and would find that their marketing would yield great results. "Poor practices" *need* to *market, but should not* because they would just run off anybody that presented due to the marketing. They are the epitome of the "Donor" practice that is generally unaware of their inept systems, doctor, and staff. This will always

create a negative marketing result. Their will just be more ex-patients telling everyone they know, not to visit your office.

2. **Case Average**: Just divide the number of new patients per month into the total production to get the case average per new patient (I understand that this is not what you did *on* each new patient, but the production *per* new patient). In a well run general practice this number should be $2000-$2500 per new patient. Any amount above this moves you into a "Boutique type practice" with limited appeal to consumers in most areas. This should give you an idea of what your return should be on each dollar you spend on marketing (Return on Investment or ROI) Without this number you will not be able to tell if any particular strategy is yielding you a profit. You would not want to spend money on marketing that cost more than it produced. Be sure you're getting at least a three to one return on your marketing efforts.

3. **Peak Demand times**: Patients only want to come in early in the morning (7-10) and late in the afternoon (3-6) or on Saturdays all day. When new patients call they will want to come in during these peak demand times. They will want to get in within 5-10 days for hygiene, same day emergency, and within 2 days for an exam. If you cannot meet these benchmarks, you will not sustain new patient flow or inspire your patients to refer everyone they know. This means you must learn how to guard these peak demand times and try to reserve as many as possible for your new patients and productive procedures.

4. **Tracking**: Most doctors want to measure the number of appointments made from any particular strategy. What you should be measuring is the number of calls generated by that marketing outreach. It is not the fault of the marketing when your staff fails to make the appointment. A successful marketing outreach is one that generates calls.

5. **Aggressive telephone techniques**: You must be able to remove the barriers to enrollment, make the appointment by coming across as convenient, compassionate, competent, and caring. You need to remove all the

barriers to entry into your practice. "Consumerize" your hours, presentations, and fees (Keep comparables comparable). This has to be tracked and rewarded with consequences for failure to meet your goals. The telephone is the most important piece of technology in the office and the person answering it is the most important staff member in the office. She is the gatekeeper or valve to your growth and success. If you do not have the right person in this position, you are doomed to mediocrity and low new patient numbers. Measuring her performance, hiring for people skills and enthusiasm, and training for proficiency is the trade mark of great practices.

6. **Invest in your Marketing**: For a doctor that has been in practice for over 3 years, we recommend a marketing budget of around 5% of production in this economy. We spent between $75-$150 dollars per new patient, yet over 80% of our patients came from direct referrals (You may need to spend more for your demographic area). You must get your direct referrals up to 40-50% of your total new patients before considering an external marketing program. A low referral percentage says volumes about poor systems, uninspired patients and staff, and a general lack of consumerism. While you will spend a great deal on marketing, it is not expensive, it is priceless.

7. **Referrals**: Marketing will never work without a specific referral script and system to insure that each patient that brought in through external marketing becomes a "raving fan" for more referrals to you office. This is where all the internal marketing comes into play and allows you to multiply the effect of your marketing dollars. It can turn a marketing strategy with a three to one return into a ten to one return when you consider that patient's down line of referrals.

8. **The message**: You must craft a message and offer that create urgency and value to your prospective clients which is redeemable during the convenient times that your patient wants to come in. This is called

capacity: The ability to perform the dentistry that your patients want at the time and price they want.

We want to make sure that you, like our Summit clients, get the best information available. If you will email me at abernathy2004@yahoo.com I would like to send you two the the best marketing strategies in dentistry today. You will receive a digital copy of our "Health Matters" strategy along with our "Business Plan" that is guaranteed to increase you number of new patients by 50 per month when used together. We will also send you a fill in the blank dental practice profile sheet that will entitle you to an hour of personal coaching to identify and solve your practice blockages. You have got nothing to lose and everything to gain. Make 2010 the year that gets you to the next level of practice.

Who Makes the Best Coaching Client?

I got stumped on a telephone call. I was blindsided with a question I could not answer. A new client asked me: "What makes the difference between a great client and a doctor who doesn't really perform?" He had already signed up for coaching, but I still would have liked to have said: Every doctor does well when they hire Summit. He actually just wanted to be one of our best clients, and wanted a list of things to benchmark against. I would have to say that there are differences in the results each office attains. Every doctor gets customized coaching based on a consistent formula of systems, information, one on one training done in their office, 24/7 access to Max and I and their individual consultant, but we do see different levels of success with each practice. So why do consulting companies get different results with each client. After a little

thought and consultation with the coaches, we came up with these top 10 reasons that results may vary depending on the client.

1. **The Doctor (and Staff) fails to own the process of learning and application of what he and the office is taught.** When asked, most doctors would say that they don't want to manage the office, deal with the staff, or worry about financial strategies. All they want to do is just do the dentistry and not have to deal with the staff or patients. I wish we could cull this type of applicant for our services, but sometimes they slip through. If you feel this way, don't even go down the road to improve you practice and bottom line. It will never work. I hate to say it but every problem in your practice is your fault. Either by omission or commission you created the problems that exist in your practice. You hired the staff, set up the hours, bought the location, marketed or failed to market, fell short inspiring your patients, you were responsible for everything. The opposite is also true: If you want a different result, you have to make the decisions, set the course, and start the process. You are the valve that every action goes through prior to implication. As your coach, we need your attention and participation. The act of leadership cannot be delegate or ignored. Leadership can be taught and we can help, but you must consistently act to implement.
2. **Poor Demographics.** Believe it or not, there are many areas in the country that make growth almost impossible. Once you drop below the doctor to population ratio of 1:2000, you have entered an area of diminishing returns. You have gone over to the "dark side". Marketing is more difficult because every doctor is doing it, and every person is exposed to it. Fees are more competitive. Patients have more choices in the dentist they go to. Everything has to be at the top of your game. There is very little wiggle room. You must have the location, hours, take their insurance, and offer services at a price they can afford six days a week. Differentiating your practice from everyone else is difficult if not impossible. If this is the case,

your expectations on growth, new patients, production, and overhead need to be realistic. Without an out right move, you will struggle for the remainder of your careers. This is a difficult fact to accept. Make sure you can handle the truth.

3. **Location.** Even if the demographics seem alright in your town or zip code, they tend to degrade and change. If you have been practicing in the same location for more than 10 years, you may now be in the wrong location in your city or county. Every neighborhood degrades; it changes demographics, race, and income levels. As it does, you will often find that your practice does not reflect these changes. You will have lost touch with your audience. The patients today are looking for something altogether different than what you have to offer. Your practice, staff, and overall systems must reflect the community you practice in.
4. **The wrong practice strategy.** There are all types of successful practices: Boutique, general, family, managed care, fee for service, Medicare….. Any strategy can work somewhere. Many strategies are doomed to fail where you are. The problem is that many strategies are fraught with challenges. While the idea of a cosmetic or boutique practice appeals to most doctors, your practice location, your personality, charisma, and clinical skills may not be able to support it. Each form of practice is dictated by the demographics of the area you serve. Don't be fooled by some slick speaker or "institute of higher learning" into thinking that a boutique practice is the only stress free, high profit, low overhead, and higher quality, higher calling type of practice. Often times it is the most stressful, least profitable practice that you could start. It is certainly the least valuable when it comes time to sell and retire. All this to say, make sure your choice of practice styles is supported by your circumstances. Deciding to try and give patients what they do not want is a sure fire way to financial and practice failure. Look at what your patients want, and give it to them.

5. **Not being poised for growth.** This is a very broad topic. Many practices seeking a consulting firm are plagued with burned out doctors, marginal staff, and have entered the practice mode of coasting till retirement or have a "barely survive strategy". If you are about to invest your hard earned dollars in a full court assault on your practice growth, you need to be poised for growth: Right staff, great location, healthy benchmarked numbers, good overhead, growing practice, and fully engaged doctor who is looking to make things happen. The entire office need to be wearing T-shirts saying "Whatever It Takes" or as we like to say in the South: "Getter Done". It is an overwhelming commitment to growth, excellence, time, money, and energy to make this happen. A practice management company cannot motivate you, it can only train and guide you.
6. **Paralysis by analysis.** Out best clients operate on the premise of "ready, fire, aim". They are not frozen by fear of failure. They realize that if everything has to be perfect before they act, nothing will ever get done. Part of a healthy practice/coach relationship hinges on trust in what is brought to the table is a tried and true strategy that will work with their situation. We have seen thousands of practices, and believe me, yours is not the worst situation we have seen. The worst thing a doctor and staff could do is agree on a strategy with their coach, have an assigned job for each staff member and doctor, and then fail to follow thru. Max likes to refer to this as "Idea Overload with Execution Failure". Failure to act has doomed many practices. Procrastination is overrated. Plan and execute the plan.
7. **Thinking your job is doing Dentistry.** Successful practices realize that crowns, cleaning teeth, sucking spit, making phone calls, dealing with insurance companies….are just things that you do while your doing your real job. The key to a successful practice is and always will be your ability to "inspire" your patients. It is counter intuitive, but the best practices, most productive practices, practices with the

lowest overhead, and greatest number of new patients hire for people skills and motivation and train them to do anything else. People skills come with the person chosen for the job. It cannot be taught or trained. You either have it or you don't. Bonus systems will not motivate you staff. You need to hire motivated staff. Keep in mind that Job #1 is INSPIRING you patients and staff.

8. **Failure to incorporate "Consumerism" in all you do.** Dentistry is a small consumer driven busyness. It is not just a science, a calling, or art form, it is foremost a business driven by the whims of a fickle public. Today there is a dentist on every corner. Patients vote with their feet, and if you are not getting your share, it is the consumer telling you that you cannot compete in dentistry. You are not viable with the business model you are currently using. You either change or struggle. Capitalism at its essence is the ability for anyone to sell anything anytime. The fit survive. The noncompetitive, practices that have no relevance with their clients will fail to exist. Not coming to accept the truth of consumerism will hold you back and drag you down. If there is one thing that has been a constant in dentistry it is change. To do well in coaching and life, you must embrace it.
9. **Financial Captivity.** I would have to say that putting off a change or seeking help until the last minute is a common situation. By waiting, many doctors approach us in *financial captivity*. In other words the margins are so close that there is little or no money to invest in coaching, marketing, or capital expenditures to correct blockages. Profit and a lot of it, allows you more choices in executing a strategy. Lack of it, often limits the options, scale of change, and speed at which it can take place. Learning to handle money is an essential skill that we try and teach each of our clients. One of the most common causes for financial captivity is "The Shiny Object Syndrome": Where the doctor believes that buying every piece of new technology is the path to practice success. Nothing could be further from the truth, and nothing will sink you financially as over spending. This could be true of "seminar addiction" where doctors

attend every new clinical course only to bring it back home and never use it. It is not unusual to see these same doctors spending $30,000 in a year for clinical courses but fail to produce $40,000/month. If you find that you are in this category, we will encourage you to create a 100% moratorium on going to courses and buying toys. Let us show you how a profitable practice invests their profits.

10. **Holding a Limiting Belief.** I could spend 50 pages discussing this. I see it in myself and especially with doctors who find that they are struggling with the many facets of practice and life. A limiting belief is a thought or process that you have held or performed so long that it has become truth to you. Most often the belief is patently untrue, but because it is the only thing you have experienced, you hold it as truth. It creates a filter through which you view and take action on all things. Consider this, if you are given false information, how can you possibly make the correct change or take the right action. This begins when you are young and it builds a stronger hold on you as you age. This is the hardest bond to break. A consultant cannot usually correct this problem. This is where Max and I will spend time creating strategic decisions with you and offer your correction in your course of action until you lose the limiting affect of this belief. Imagine the effect of believing that: I'm terrible with finances, I can't be a good leader, patients just can't afford my dentistry, there are no good staff around here, I have never been able to save, Dentistry is stressful, I'm not lovable …… It can go on and on. None of these are truths. If you hold the wrong limiting belief long enough to make it truth for you, your ability to be coachable, implement new ideas, and embrace change will fall by the wayside and limit your practice success.

As I write this I keep thinking of number 11 and 12 but I hope you get the idea. A coaching relationship is a partnership. It requires effort,

understanding, action, and knowledge to get a superior result. Regardless of the level of success you have in coaching, you will always be better off than the practice that has failed to try. If you have any questions, or would just like to discuss an area of your practice that you are currently struggling with, give me a call on my cell at 972-523-4660.

Michael Abernathy DDS

Ground Hog Life: No Hope

In 1993, the number one comedy movie was "Groundhog Day" starring Bill Murray of Saturday Night Live fame. Bill was a weatherman who, for the fourth year in a row, was covering Groundhog Day where this "weather forecasting rat", as he calls it, comes out and does or doesn't see his shadow. The problem occurs when he realizes that he begins to wake up each morning to the same day. Groundhog Day begins every day the same way. He finally realizes that he is destined to spend the rest of Eternity in the same place, seeing the same people doing the same thing EVERYDAY. He has no HOPE.

Sound familiar? Have you finally come to the fork in the road only to find yourself reliving the same day, month, and year and wondering why you haven't become the dentist you always thought you would be? They say a "rut" is just a grave with the ends kicked out. Over and over I listen to doctors struggling to even pay their bills, attract enough new patients, lower their stress level, and retain a competent staff. Many are burned out and have lost all *hope* of building a successful practice. After listening to that all too familiar story I assure them that I can help. I ask these doctors to send me a copy of their P&L statements for the last 12 months, a copy of one week's schedule, and our proprietary Summit

Practice Solution analysis spread sheet (We will be glad to mail you a copy). It usually takes a few days, but eventually they always return the information and we schedule a one on one call. This call usually takes me several hours and is most often followed by a couple of more calls to flesh out solutions and a strategic plan. All of this is free. It cost nothing. It is worth anything we would charge, but I believe that it takes time to form a trust and bond with a coach or mentor to restore hope to a practice. Without this time and understanding, you the client will never reach your potential, you will never regain hope.

The secret to taking a practice to the next level, breaking through plateaus, and reaching new levels of profitability, always begins with knowing exactly where you are. It's kind of like walking up to one of the map kiosks in Disney World to try and figure out where you are and which way you need to go in order to reach the Magic Kingdom. As you study the map, you find it: A small red circle with an arrow pointing to your exact location saying "You are here". That is exactly what the P&L, schedule, and analysis spread sheet does for me. This is the first step in returning hope to a situation that will never change without it.

When we actually meet on the phone, I have everything I need to tell you where you are, where your challenges lie, and exactly what to do, in order to correct them. Over and over I hear how they have worked months and years with this marketing guy, or that famous consultant, and spent thousands of dollars with limited or no results. Yet in one phone call, they finally have found someone who can clearly explain their situation, and create a strategy to guide them to another level of practice. After this statement, comes some form of this question: "Why didn't *they tell me… show me*… or *help me understand* what I should do? I guess I just wasted my time and money using…….?"

I guess I'm a little surprised that anyone would pay thousands of dollars to a consultant or a marketing company that does not produce results, have a clear plan, or create consensus with the staff and doctor. If your consultant makes one visit, and spends the rest of the year doing worthless telephone coaching as an afterthought, and mini-telephone seminars once a quarter, you need to ***run***. Just the other day I received one ad from a dental "Guru" that intimated that he had a

couple of cancellations for December and he could fit a visit into my office for just $25,000 which would be followed by a weekly call from my personal consultant, and all I had to do is call within the next 10 minutes to receive even more added features for free. I know for a fact that he doesn't let you know that your personal consultant was a roofer last week, because he was. Give me a break: Is there really a fool born every minute? Evidently there is in the dental community, because this guy and several others pride themselves on breaking sales records at every dental meeting. ***Run faster*** if they follow up the milk toast infomercials with some Dan Kennedy sales blitz to move you to the platinum or diamond level of coaching for just a few dollars more. I don't know about you, but I have hit direct mail, internet, and infomercial overload. I am sick of baseless promises followed by under delivering to their clients. I'm one of you, and I can't believe how gullible or desperate we have become to believe some of the worthless nonstop ads for this new technique or that new toy that before now was never been available to you the dentist. Meaningful relationships, much less customized results are impossible without spending time with the doctor and staff one on one. Consulting only works if your consultant shows up at your office for multiple visits, is available 24/7 over the phone not just to the doctor, but from every staff member in the office, and coordinates their efforts with the person who has the background and experience to step in and direct some strategic planning to insure everyone is on the same page.

This article is about hope, not vacant promises followed by an overpriced bill. The Presbyterian lay minister Fred Rogers ("Mister Rogers" to us) once quoted an anonymous scrawling on the bulletin board of the great Notre Dame Cathedral in Paris: "The world tomorrow will belong to those who brought it the greatest hope."

Counselors and psychologists have long known the truth of those words. Viktor Frankl, the Austrian psychologist and concentration camp survivor, documented the fat that those prisoners who believed in tomorrow best survived the horrors of today. Survivors of POW camps in Vietnam likewise reported that a compelling hope for the future was the primary force that kept many of them alive.

A mouse dropped in water will give up and drown in minutes. But if it is rescued, it will tread water for more than 20 hours the next time. It is past time for you to put hope back into your life and practice. If you feel stuck or helpless to change your practice direction, email me at abernathy2004@yahoo.com or give me a call on my cell at 972-523-4660, and let me send you an analysis sheet and schedule a call that will change your life. Waiting is foolish; you're already experiencing a "groundhog life". Let me show you a different way to control your circumstances and change your results.

Health Matters Newsletter

All marketing should come with a "warning label". So often, doctors will tell me that: "Everything is great; great staff, perfect location, great clinician, everybody that they see loves them, but they just need more patients". If everything was "great" they would not be looking for a way to increase patients. They would already have them. This brings us to my mantra for all marketers. *Good practices don't need to market (because they are "the practice" and they inspire their patients to refer), and Poor practices shouldn't market (because they do so many things wrong that they would just run off those patients brought in by marketing, and they would tell everybody they knew how bad their experience was with your practice). Bottom line, if you are not growing, you are not inspiring your patients.*

Our "Health Matters" (HM) is one of those can't lose marketing strategies that we original designed over a decade ago. When talking about marketing there is a logical progression of marketing that should be followed. At Summit, we go to great lengths to help craft a brand and message for each of our clients and implement this strategy with a budget in mind of about 3-5% of collections. Keeping this in mind, you would need to have a great logo and branding, signage, new resident program, great location, and direct response marketing pieces before using this strategy. The order is based on cost, implementation difficulty,

and response per investment or return on investment (ROI). Through the years I have noticed that many first time marketers and long time marketers gravitate to HM. For the seasoned marketer, it offers an area that they have never been able to reach. For the beginner, it offers a very non-confrontational, quality way to market. So for you first time marketers, this would not be the only or first thing I would do in beginning a marketing program. I would have to say that if you could think of some marketing strategy that kind of made you feel a little nervous, it is probably just what you should do. All marketing works one way or another.

Originally I went out and found four or five other professionals that women frequented and asked each to write an article. (Remember: Females Rule. Females make 92% or all dental appointments, and have 67% of all cosmetic cases are done on females. Females control the family checkbook and are the secret to a thriving practice. Do a great job of inspiring women and you will never have to market). I believe we had a Plastic Surgeon, OBGYN, Pharmacist, Podiatrist (90% of their patients are women), Cosmetologist, and a local Pastor. I even tried to help them come up with topic. For one doctor I had to go on the internet and find a non-copy written article for him to copy. This was probably the most difficult part. Getting the articles and getting them in a timely fashion. I originally offered to pay for the entire newsletter. I would have been glad to continue to pay for the whole thing based on the results I got, but found that after the first HM, everyone in town wanted to know how to get in it. From that point on, I just figured out the total cost and made everyone else pay and I got a free ride. I think it was about $10,000 or about 40,000 newsletters the first time. The strategy was to have each person who contributed to distribute the HM to their clients, and place it in their reception areas. By doing this, all of the people, clients, or patients received a copy. They frequented these professionals because they trusted and respected each one for different reasons. The reason this strategy worked so well is that you are the only dentist. I was also the only contributor that had an impressive offer to potential patients. Even if this professional did not currently go to your practice (I made sure that none of them did, so that I would also gain them as clients), the fact that they were the only MD, OBGYN…and by being the only dentist, you receive an “inferred endorsement”

from each person that was in the newsletter. It is as if they had told each of their patients that "you were THE DENTIST in town". "You were the dentist to go to". Each of the contributors needed various numbers of newsletters for their client base. In addition, I sent out thousands to my client base (Which worked for each of the other contributors by endorsing them). I also did an over-run of about 10,000 HM's and placed them in the local newspaper in routes that I felt were most prosperous (It costs about $67.00/1000 to insert in a newspaper). Don't do this on a weekend because there will be more competition from retail ads. Most newspapers have an overthrow day each month in which they distribute more newspapers than they have subscribers in order to tease the nonsubscribers into buying the newspaper. I also kept about 500 and over the next month or two, went by each of the contributor's offices and left more for them to put in the reception area. Hope you are seeing the simplicity and the genius in this strategy. It is marketing at its best. It appears to be a public service or educational, informational newsletter with the consumer in mind. It is very disarming and very motivational to the public to act on the recommendation of a trusted professional. Everybody wins. You will too.

If you find this strategy appealing, consider giving me a call and learn how you can leave the pack behind and become the practice you always thought you would be.

Michael Abernathy

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Cell: 972-523-4660

PS If you use this for your patients of record, be sure and add "address correction requested" with a stamp just below the postage. These guarantees that the HM will come back with a corrected address: In this way you will be able to update your patients contact information even if forwarding has expired.

Hygienists do much more than clean teeth ---------

Your hygienist should be responsible for the basic duties of sterilizing and preparing the treatment room, greeting the patient, taking radiographs, full mouth perio probing, using the intra-oral camera to formulate a pre-treatment exam that notes all areas of concern for the doctor to check and confirm, screening for oral cancer, executing head and neck and soft tissue exams, offering treatment options for periodontal disease, educating the patient on periodontal health, removing stain and supragingival and subgingival calculus, performing prophylaxis, instructing the patient on oral hygiene, confirming the doctor's treatment recommendations, generally promoting the doctor and team, motivating the patient to return for treatment, and escorting the patient to the appointment coordinator or even scheduling the next appointment.

As you can see, these professionals are doing more than cleaning teeth; they are promoting oral health and building solid patient/practice relationships.

Why Have Benchmarks

Steven Covey in "7 Habits of Highly Effective People" identifies the number one trait to make you successful in any endeavor: "Begin with the end in mind". In other words, if you can define, or create a picture of where you want to be, you will shorten the path and define the result. The same is true in overhead. Your overhead should be 50% to 55%. This is realistic in any practice that is 5 years or older. I see too many practices with bragging rights of huge production, but the truth is they take very little home. It has always been and will always be about net, not gross. You should be able to keep approximately half of every dollar you produce. One of our mottos at Summit is: Produce More, Collect Half, and Keep Half. Remember: You should collect over 98% of all fees charged out. An increase in productivity is of no value if the cost of overhead is not contained. We also believe strongly that you need to be debt-free. It's amazing how much less stressful every day is when you're out of debt. When working with young doctors to start a practice, we insist on a plan to make them debt-free within 3-5 years. When working with established doctors, we fight to get them to put their house in order, live within their means (spend less and produce more), and concentrate on the systems that guarantee increase in net and a decrease in overall overhead.

Looking at hundreds of practices and their numbers, I am too often surprised at the lack of information the doctor can lay his hands on. The profit and loss (P&L) statements are not available until 90 days after the closing of the month. The doctor cannot read the P&L, or glean the information that he needs

to make decisions, and **does not realize that a profit and loss statement does not reflect true cash flow (what you collect and what you spend)**. They do not use software like Quick Books to write checks and create a cash flow analysis. They are being overcharged and underserved by CPA's that do not understand the dental business and seem to be in no hurry about getting the numbers to his clients. If you want to lower your overhead, manage your practice for profitability, and control your future, you must have accurate, timely, real world numbers to guide you.

In pro sports today, the standouts are referred to as super stars. Howard Hill was a super, SUPER star. He is one of the few men to become a genuine legend during his own lifetime. Having died in 1975, Howard was referred to as the "World's Greatest Archer". He is the only person to win 196 archery field tournaments in succession. He would perform by doing difficult trick shots like shooting an apple off someone's head from 60 feet and then top that by shooting a prune from the same distance. He was the archer who would split an arrow with an arrow in "The Adventures of Robin Hood" with Errol Flynn in 1938. You could say there was no target he could not hit. He could out shoot anyone, any time, in any conditions.

I would like to propose a bet. I can teach you how to hit a target better than Howard Hill in a matter of minutes. The trick: I would blindfold Howard, and you would be able to see the target. Silly bet, but every day I see doctors trying to hit a phantom target they cannot see or locate. No one can hit a target that is not there. That is why we all need benchmarks. We all need a target to hit: A goal to strive for. How are you going to know how you are doing if no one sets the bar? Benchmarks define the game we are playing. What does it take to win? Where are the goals, the yard lines and hash marks, and where are we starting from.

No matter how many employees on your payroll, or what your financials looked like last month, if you believe that "organized chaos" and creativity alone will drive your business toward success, it's time to shift gears. Businesses without systems react. You want to forecast, measure, set goals and beat them. (And, of course, earn more money while doing all of this.)

Benchmarks give you a ruler to measure your progress. They help you create black and white answers to grey questions. Let me give you a few benchmarks to help set a target for you General Dental Practice.

OVERHEAD: I tend to look at overhead from the perspective of cash flow: What comes in and what goes out. Not the way a CPA does it in a P&L statement with only deductable items listed. This cash flow statement creates a management tool to help you manage your practice day to day and should be shared with the staff.

Let's take a look at overhead, and the way we suggest you have your CPA organize a cash flow statement. Keep in mind, a cash flow statement is not used to do your tax returns. It is a minute to minute accounting of in-flow and out-flows of money. We believe all operating expenses should be contained in about 6 categories. Attached to the categories is an ideal benchmark to help you move toward that 50% overhead. These are the categories.

• Staff Compensation	24-24%
• Facility	7-9%
• Lab	8-10%
• Marketing	3-5%
• Office Supplies	1-2%
• Dental Supplies	6-7%
TOTAL	50-55%

Staff compensation includes everything you spend on staff: Taxes, continuing education, bonus, trips, normal pay, benefits, uniforms, it includes everyone but the owner doctor. Hygienist and associates are included here.

Facility includes all the physical plant and its costs: Taxes, note payment of the building itself, maintenance, lease, servicing note

for the purchase of a practice, utilities, equipment purchase or lease, repairs…

Lab should include everything you spend on lab, including Cerec, supplies, outside lab work, and anything else related to that side of your practice. If the benchmark seems low, or you spend more on lab than the 8-10% you are probably limiting your practice to adults and a greater portion of you practice is C&B. This means your ability to market your practice is limited to a smaller more lucrative audience and should reflect these demographics. If your lab is lower, you may not be assertive enough in your case presentation or not clinically mature enough to present more ideal treatment. Each of these numbers means something, and creates a picture of the health of your practice.

Marketing would include all internal and external things you do to inspire and reach your potential clients: Print ads, give always, signage, promotions, phone book; everything. It is said that everything you do, from answering the phone to staying on time communicates a message to your clients. You cannot, not market. While 3-5% is the benchmark, it is not unreasonable to do more. A higher end practice may spend more here, and less in compensation. Do not cut back on putting your message out there. In providing a service or product: Do what you do so well that people cannot help but tell everyone they know about you.

Office supplies are self explanatory and are not usually a problem for most offices. Watch what you spend, and spend wisely. Only one person should be in charge of ordering dental and office supplies, and they should have a written budget that is adhered to.

Dental supplies and the money spent for them are often abused. Make a budget, monitor spending, have one person do the "buyers club". Woody Oaks with Excellence in Dentistry partners

with Darby to provide a free service of a buyer's club. Go to their web site and call Darby and tell them you want to sign up for the buyers club (Excellence in Dentistry). They will give you 15% off their already low mail order prices and give you back 3% of your purchase on a credit card. That is 18% off one of the lowest mail order companies in the US. Do this tomorrow.

Remember: Every operating expense should fit into one of these categories. Your first question will be: What about all those things I run through the practice to write off. The answer: Everything below the line is yours. You choose to spend them on cars, club membership, trips and non dental expenses. We are looking for a report that helps you manage your practice's overhead.

Practice Benchmarks for a well run General Dental Practice:

- *$25-$30K production per operatory/month (5 Ops = $100K-$150K/month).* If you are not at this production level, it does not mean you are a failure. It does mean you have room to grow, and there are no physical capacity problems. There is no need to add more room to produce more until you meet or exceed this ratio.
- *$20-$25K production per employee/month*. If you are not meeting this benchmark, you are either overstaffed, or under producing, or both. Once again, you have no staff blockages (not enough staff) if you fall short of this goal. It is possible to increase production without adding a single staff member.

- *50-75 new patients/doctor*: (Remember: we are talking about a well run general dental practice, not a "Boutique" practice.) Normal dental practices have a mixture of treatment and ages. As you and your practice age, it is normal to see fewer children. Along with this increase in age, confidence, and competence, comes more and more crown and bridge. The negative is that you have limited the size of the patient pool that you can vie for. Generally speaking, a dentist will only attract and inspire patients who are about 10 years on either side of the doctor's age. Open up a practice and still be in the same location 15 years later and you are probably in the wrong location. Demographics will change and before you know it the neighborhood has gone downhill and there is a dentist on every corner (To help you compete, you need to have a ratio of 1 doctor for about 2000 patients). Go to www.zipskinny.com, put in your zip code and up will pop all of your demographic information. This will be a revelation for most of you, and an aid in getting more new patients from updated marketing for others. Then, go to www.aftco.net, and look under resources and dentists. Put in your zip code and see the number of dentist per population. Bottom line: There is no excuse for not getting your share of the new patient pool. You either grow or die. There is no way to just stay at a particular production plateau. Inflation, demographics and the economy slowly erode your business until it is too late. It is like cooking a live frog. You can't drop him in boiling water because he will just jump out. Put him in cold water and slowly raise the temperature, and he never realizes his plight until it is too late. Welcome to the story of the average dentist. No one ever left dental school wanting to end up an average dentist. L.D. Pankey said: "The average dentist is either the best of the worst, or the worst of the best."

- *2 Hygienist per doctor*. This indicates a healthy recall, new patient flow, and shows that you have the back door closed. This is the life blood of a healthy practice. If you have been in practice for more

than 5 years, and have not found the need to hire another hygienist, you are not inspiring your patients. With the average new patient flow of 25 new patients per month, you would need to add a new hygienist every 24 months just to service them. If you are not seeing this, then you have as many patients leaving as you have coming in. You have the back door wide open. This usually indicates a lack of systems, internal marketing, and the ability to inspire the patients you have. It is black or white: You are either growing or you are not. This is one of the reasons I believe that every practice needs to invest in a coach: Someone to fine tune you practice and help you to the next level. Without exception, everyone needs a mentor. I would have to say that the success of my own practices is directly related to practice management coaching, meeting with a mentor, and hiring for attitude. Practice consulting is not expensive, it is priceless. It is the best investment you can make in building a successful practice.

- *Hygienists are producing $1100-$2500 per day unassisted*. For our Summit clients we are now able to bring in one of my hygienist who regularly produces $25K-$45K per month unassisted at no cost to you. We will just let them replace one of our regular consultant visits.

- *Hygiene department produces 33% of the total production of the practice*. Whether it is 1 or 10 hygienists, you should be getting at least one third of your production out of your hygienist. If you are not monitoring this you will be surprised at how easy it is to lower your overhead and increase production when your hygiene department is running on all 8 cylinders.

- *60% of your day is filled with substantial cases*. A substantial case is anything that is about the fee of a crown. For Example: Your production goal is $5,000/day. If a crown is about a $1,000, you would need to have 60% of $5,000, or $3,600 (3.6 crowns or their equivalent) booked each day to reach a significant goal. This is also

true in hygiene, except the dollar amount would be different. A substantial case for hygiene might be quadrants of sealants, or soft tissue management patients, not normal every day recall patients. 60% of their day must be in substantial cases also. Fail to do this and you are guaranteed to not make a significant goal for you and your hygienist. Your hygiene department should account for about 33% of your total production. Each hygienist should produce at least 3 times what they are paid.

- *Recall effectiveness of 80%* (Nationally you see the average general practice at 42%)

- *50-60% of your new patients come from direct referrals* from a patient of record. Practices that are not inspiring patients to refer, find themselves "marketing" driven. You are paying patients to come in the door, and they are leaving just as fast. If you are not growing you are not inspiring your patients. In a society that votes with their feet, you cannot afford to have a majority of your patients getting second opinions or not scheduling for treatment. You cannot get better at giving patients what they do not want. Change your direction and reap a new outlook for your practice.

- *98% or greater collection rate* (The average practice does 94%. This will not do.)

- *Consumer hours*: 7-10am, 3-6pm, Monday-Friday, and Saturday hours. This is difficult without multiple doctors, but 9-5 Monday thru Thursday, do not meet your patient's needs. Consumerism is a creed you need to adopt to prosper in any economic environment. Convenience is huge is today's practice. Patients show up where their needs are met.

- *A small incremental fee increase every January and July*. Inflation and subsequent cost of operating a practice continue to climb. Review and update your fees on a systematic regular basis. A usual scenario

would be to compare your fees to our fee survey and place them in the 85 percentile. You would then raise your fees a couple of percentage points every January and July. This would offset the effects of inflation and cost of living.

- *Pricing: Keep comparables comparable*: Do a fee survey (This is available to our Summit Clients at no charge. Just give us a call). Try to keep your fees in about the 85 percentile. Consumers shop and price is important. As a note: An increase of 10% creates a 9% decrease in overhead. Over the life time of a practice, millions of dollars are lost from having fees that are 5% too low. The cumulative effect could fund a substantial portion of your retirement.

- *Production of $600-$750 per hour per Dentist*.

- *A goal of 15% growth per year in productivity*. Growth is a sign of meeting your patient's needs. No growth means you are not inspiring your patients. Lack of growth means there is something drastically wrong. Managing a practice by the numbers to establish goals to insure growth and the proper overhead is the only logical choice. Insurance company statistics tell us that 97% of the population at age 65 will either be "dead or dead broke". Only 2-3% will become financially independent at that age. Failure to plan is a plan to fail. You must start from day one to lay out a strategy for financial success. No one else can do this for you. The one saving grace is that it is never too late to start. If you have reached that age where you are closer to your "do before date than your born on date", or even a young doctor of midcareer doctor who has an entrepreneurial bent, we have the number one wealth building strategy to share with you. Ways to remove equity from your practice, while producing more and lowering your overhead to insure a comfortable retirement at any age. You cannot discount a life with "choices". A secure financial future is the best choice you can

provide for you and your family. Give me a call and let me show you how. (972-523-4660.

- *Production of $2,500/New patient*. (National average is $1,100/New Patient) Just divide the monthly production by the number of new patients and this will give you a ratio of production per new patient, *not* production *on* each new patient. The $2,500 per new patient is a lofty goal for a great general practice, but is very doable. Production over $2,500/New Patient puts you in the realm of a boutique practice. Along with a fee survey, we can help all our clients see how a failure to do a certain type or number of procedures indicate a lack of planning. We can help you restructure your fees and treatment modalities to maximize you demographics to create a lower overhead and increased production without more staff, facility or stress.

- *90% case acceptance*. The "monkey score" is a case acceptance of 67%. The number one reason people do not have dental work done is that they were never told what they needed to do. Just tell them what they need and statistically 67% will say yes. Add in consumerism, and the scripts that Summit clients are given and it will always go up. (Clients should go back and reread "100% Case Acceptance")

This should give you a place to start. Take your current P&L statement and arrange it to fit the overhead items as listed above. Give us a call if you have a problem. Take a look at each of the benchmarks and compare where you are to where you want to go. Take these goals and set a path for the next 12 months to improve in every category. It is no longer possible for us to just get by. We must set challenging goals and begin to run our practices like a business. Make the difficult decisions about staffing and when and how to work. Pay the price and take the prize. Good luck.

The Top Ten Reasons Why You're Marketing in Not Working

Desperate phone calls from struggling dentists fill my message box. More and more I am hearing how their marketing is no longer working or that after twenty years of never marketing, they want or need to start. I am even hearing doom and gloom from other management companies marketing "super stars" with unlimited marketing budgets, that hired the next best greatest marketing company that "Beta" tests every direct response marketing and branding strategy with hundreds of doctors, and did not even get them one new patient. They literally spent over $30,000 and got only one phone call from these so called experts that sit in Seattle, Phoenix, Las Vegas, or New York and pontificate at a dental meetings about how they are the new messiah of new patient acquisition. They want to know why and can't find an answer. This is the first of a two part article that will give you some insight into what I have been able to glean from hundreds of phone calls and one on one encounters with doctors who are searching for a reason why their marketing is not working.

1. **You are looking for an "external solution" to an "internal problem".** You have heard me say this before while talking about Donor and Recipient practices. "*Good practices" don't need to market and should, while "Poor practices" need to market and shouldn't.* If your number of new patients has continued to diminish over the last few years, something is very wrong. Sure, patients are spending less or postponing elective treatment, but they are still maintaining their hygiene, and they will always complete treatment they want (Not treatment you think they need). If a poorly performing practice (Over 60% overhead, less than 20 new patients/month, referrals less than 50%, constant staff turnover, inability to pay bills on time, hygiene production less than 33% of the total office production…) were to market, they would just accelerate the number of patients they alienated. It would

just accelerate their demise. A lack of patients is not the "problem" it is the primary symptom of a deeper more complex problem hiding just under the surface of all you do. You have failed to inspire your patients by trying to give them what they do not want. Your basic assumption of business and how to deliver your services is flawed. You need an emergency diagnosis for a terminal disease: A lack of Consumerism. In other words you are failing to give potential patients what they want, when they want it, at a price that can fit into their budget.

2. **Too much competition.** Selecting a location to practice is a scientific selection process. You need facts to give you every head start possible. For the new doctor you have a clean slate. You could practice anywhere you like. Knowing this allows you to create a list of parameters that as you consider each location, you can make sure that you line up as many positive characteristics as possible. If you have half a brain you would cross off any areas that did not meet a minimum number of these positive qualifications. To not do so would be professional suicide.

   For the established dentist you opened your practice years ago with the idea that you would work your entire career and retire here. Bad news is that things have changed. If you have been practicing in the same location for a decade or two, you are probably in the wrong location. For many of you the area you currently practice in has changed so dramatically thru the years that no one could make a living where you are. This is a tough discussion with doctors who thought they just needed to market more, change staff, or spend half a million dollars on a remodel. For many of you it is like trying to prevent the Titanic from sinking by rearranging the deck furniture.

   Go to www.aftco.net . Once you are on the home page, go to the far right and click on "Resources" and then "Dentistics". This will take you to a page that will ask you for your zip code. Doing this will give you the ratio of general dentist to population. You need at least a ratio of 1:2000. Once you dip below that magic barrier, you will have slipped into a "negative competitive spiral". If you have below a ratio of 1:1000, you are almost guaranteed a struggling, lack of growth, mediocre practice that will face an

uphill battle to be competitive and profitable while maintaining a suitable increase in productivity (before you call and start trying to show me how I am wrong, I understand that you are probably the one in a thousand that is surviving and thriving in this competitive environment: Just keep reading) I compare this to flying a plane and getting into an unrecoverable dive. You can literally spin your plane or practice into the ground and never ever know why. Bad news is that in either case you will not walk away. Too much competition means your marketing will lose traction. It gets diluted in the multitudes of messages that are being sent out by everyone else. Patients now have an option to your care on every corner. With increased competition you have doctors willing to work consumer hours, at fairer fees, who will take patients that have managed care plans, and they will adopt the attitude of "whatever it takes". Their actually willing to listen and care for their patients. For years most of you established doctors, have adopted an attitude of "entitlement". If you have ever lived through decreasing market share and a challenging economic time, you know that entitlement means nothing. It does mean something, it means business failure. The business world rewards change and adaptation. Doing the same thing day in and day out and expecting a different result is one definition of insanity. You truly are crazy if you think what you did a decade or even a year ago will somehow insure profitability and continued growth in the future.

3. **Not taking into consideration the demographics of your practice area.** Go to www.zipskinny.com and put in your zip code. Maybe I'm just a deluded simpleton but I never hear these overpriced marketing gurus even explain to the doctor that what works in Atlanta may not work in Nowhere, Arkansas. You be the judge. Stop reading, hit print and take the printed copy of this article and go to www.zipskinny.com and put in your zip code an let's look at the people where you live. Demographics make a difference and ignoring your specific location and its unique circumstances seems a little crazy. So are you there yet? Look at the column just below and to the left of your zip code. It is titled "Social Indicators". It will describe educational levels, marital status, and stability. The higher the educational

levels the more utilization of dental services there will be. A 94% or higher high school graduation rate, and a 40% bachelors or higher would be ideal. Lower than that doesn't mean the people are not great, it just indicates that there will be a diminished demand for certain dental procedures (C&B vs. bread and butter general dentistry). Marital status and stability numbers indicates whether your particular part of the country is more nomadic or a very consistent about people moving in and staying. A 25% stability number means that a quarter of your population moves every year. That means that to just stay even, we need to attract at least 25% of our new patients just to replace the ones that moved last year. A number higher than this will require a larger budget in order to reach each customer. They move in and then move out. It will take more dollars to reach the reachable in a shorter period of time. The more stable the population indicated by a higher percentage of people remaining in their current locations is a real plus. Now slide to your right and let's look at Economic Indicators. Median household incomes are particularly important. The average income in the US by household would be about $35,000-$40,000. Keep in mind the cost of living in your area. Forty thousand wouldn't go far in California, but in parts of Arkansas you could be the richest man in Babylon. It makes a difference. This income is for the household, not the individual. You need to consider that the income level may represent what can be spent by two adults and a couple of children. How much and what type of dentistry will a household with an income of $40,000 be able to do? It will not be full mouth rehabs and a lot of elective cosmetic procedures. It will be basic bread and butter general dentistry consisting of oral surgery, fillings, single crowns, and orthodontics. Keep this in mind when marketing. Your marketing needs to reflect your demographics. Pushing things through marketing that do not appeal to your audience limits the percentage of patients this information will be valuable to. Doing this is like trying to get better at giving patients what they do not want. One last thing in this area. In green you will see the percentage of population at or below poverty line. When you exceed the national average of 4% you are faced with a challenge.

Drop down to the next level in the web site on the far left called Demographics: Race. In Texas where I am from it is not unusual to have a Hispanic population of 25-30%. The higher the white population, the higher the statistical utilization of dentistry. In most parts of the country economic diversity is the norm. You need to keep in mind that your practice and its marketing need to reflect the race demographics of the population surrounding your office. If you had a significant Asian or Hispanic population you would want your staff and marketing photos to reflect that population demographic. If Spanish was spoken, you would want staff who could converse fluently with your patients.

Slide to the right and look at median ages of the population. Boutique practices or practices that do primarily C&B need patients in the 45-65 age bracket. If your demographics indicate a median age of 32, you can be sure that they will not need loads of scaling and root planning, implants, C&B. They will need bread and butter dentistry that is delivered Monday through Saturday. Just a note: Sedation dentistry, implants, full mouth "make over's"… are not growth markets. Yea, 15 years ago a "cosmetic dentist" was a unique situation. 10 years ago sedation dentistry was a selling point. Today, we have insurance companies, and marketing from every dentist in town, telling the public that a crown is a crown. Every doctor is touting sedation procedures and cosmetic competence. I know this is not true, but the public is being told that every dentist can do every procedure. Bad news is that the public is buying it. If insurance companies can finally convince the public that a crown is a crown, the public will logically choose a provider based on cost. In other words, if a crown is a crown, I should just find a dentist close to me and have him do it. This does not bode well for practices that continue to try and buck the demographics and go on their merry way of pushing procedures that patients do not want at times they will not come in for, at a price that will not fit their budget. Start making decisions about practice strategies and marketing based on fact, not fiction. If you have started down a path of practice that is not growing, you are not inspiring your patients, and you

need to reassess your direction before it is too late. Change or move. There are only two choices. Staying the course is a slippery slide to failure. Let me make this perfectly clear. You should do sedation, implants, orthodontics and any other procedure you feel qualified to do, but you must also take into consideration that most of the folks around your office will want other simpler services also. Before we finish on age demographics, look on the percentage of the population below the age of 30. For most of you, it will meet or exceed 50% of your total population. Are you willing to turn your back on such a large percentage of your population? If you have been in practice 5-10 years, consider bringing in another doctor to service that segment of your population. Widen your demographic appeal and watch your new patients and profitability sky rocket.

4. **Not looking at the number of direct referrals to your practice from existing patients.** Every time we look at a practices numbers, I want to see what percentage of new patients, come from existing patients. The number of referred patients has a direct correlation to whether you have your act together. It indicates that you are inspiring patients or just marketing driven. A referral is what makes marketing work. If you spend money on a marketing strategy and get a 3:1 return of investment (In other words you are making $3 for every $1 spent) you are doing OK. But take that initial investment and have it pay dividends by encouraging referrals makes your ROI soar. It is not what you pay to get someone to come in, but rather what you do with the marketed patient once they arrive.
5. **Failure to have the right person answering the phone.** You have 3 seconds to inspire a potential patient. The first contact is always the phone. The average dentist has 25 new patients per month. That means you have 75 seconds to pay all the bills and make a profit each month. Fail in that first 3 seconds and the patient will walk. If you continually see the backs of people's heads leaving your practice, you are doing something wrong. Tick, tick, tick: When does the three second clock start? It begins the minute you pick up the phone. If you have the wrong person in the wrong seat on

your bus, you will never be successful at motivating potential clients to show up, follow thru, and refer everyone they know. A doctor the other day told me that he tried marketing and it doesn't work! He said he sent out thousands of pieces of direct mail and didn't get any new patients. I responded with: "So you sent out all this mail and no one called?" He said: "Yea I got lots of calls, but no one made an appointment". If you have the wrong person handling the most important piece of technology in the office (the phone), and they fail to come across as competent, caring, compassionate, and convenient, no one will make an appointment. You need to measure the response by the phone calls, not the appointments made. If you get phone calls responding to the marketing, it has done well. It is not the fault of the marketer that you have an inept staff person unable to connect with the patient or make the appointment. You cannot keep marginal staff in any position, let alone the most important position in the office.

6. **Not being convenient.** Convenience is not what you might think. It embodies many different aspects.
    a. **Hurdles:** How many hurdles does a patient have to crawl over to get into your office? It's called the threshold test. You better start thinking that whatever the patient asks far, the answer is "we can do that". Put barriers in front of them like, we don't take that insurance, we never clean teeth on the first appointment, that's not our office's policy to do…, and we're not open except between 10 and 12 every Monday-Wednesday… Basically if you are constantly telling your patients no, it is time for an attitude adjustment. Remove the hurdles and open the front door wide.
    b. **No Peak demand times available:** Peak demand times are times that patients want to come in. Every day Monday through Friday patients want to come in early (7-10), and late (3-6), and any time Saturday. The average dentist is open Monday-Thursday 8-5. Consumer hours demand we be there when the client wants to come in. Your existing patients all want to come in at those times, and new patients want to come in at those times. We have a dilemma. If existing patients are

already occupying all the peak demand times, where do we put our new patients? In other words, if you do not have peak demand times available every day, you should not be marketing. New patients will not make an appointment unless it is during a time that is convenient for them. If you do somehow convince them to come in three weeks from now at a non-peak demand time, you are likely to have an increase in Cancellations and No-Shows. Are any of you experiencing an increase in Ca&NS? Look at how you schedule new patients. No peak demand times, no new patients.

c. **Location:** In large cities you should not expect a patient to travel more than 3-5 miles to your office. Marketing further than where you get 80% of your patients is a mistake. It is not an exact circle around your office. Marketing companies do not take into account your actual location versus where your patients come from. We all know there are artificial barriers beyond which a patient will not cross: A highway, or particular part of town, a river, or city boundary. It doesn't make since from a distance for time factor, but many of you are held captive by being in exactly the wrong place by just one block or street.

7. **Not understanding that the number one reason practices are successful is the people skills of the doctor and staff.** I wish that the most profitable practices were the ones with the best clinical dentistry, but that is almost laughable. It is almost a certainty that the guy from your dental class with the worst hands, who in school could not pick his nose and walk at the same time, will have the largest most productive practice around. It always has and always will come down to the doctor's and staff's people skills when it comes to growing vibrant practices. Bad news is that it is almost impossible to train this. Your staff has got to have it coming in. You can train anyone to operate a computer or suck spit, but there is no way to train for an enthusiastic people person. You have it or you don't. It is a fundamental part of your personality. OK, so you just hire the right staff, but what about the doctor, what about me? You either fake it or hire staff to compensate for your inadequacies. Identifying the short fall is the hard

part. Once you know that you are lacking in people skills and the ability to inspire patients, you create systems and hire the right staff to make up for the one area. You "stage" every personal encounter to engender a feeling of serving, caring, compassion, and friendly confidence with the patient. You become the pair of hands that delivers the service after the patient is under nitrous. You depend on those with people skills to cover up your lack of people skills. If you think about it, your spouse has been doing this for your entire marriage. You try and minimize your one on one interaction with patients and delegate to get the result you need to grow your practice. This is a difficult task, and even more difficult for anyone to tell you the truth. Handle the truth and take your practice to the next level.

8. **Not spending marketing budgets on reactivating existing patients.** Every practice has huge cracks and fissures that patients fall into and never get out. If external marketing is the "front door" of your practice, you want it wide open. The other side of the coin is that most practices fail to keep current patients inspired and therefore have the "back door" wide open also. You lose as many patients as you attract. Think about it. If you are Dr. Average, you attract about 25 new patients a month. A hygienist can see about 400 patients a year if seen twice. The math says that every couple of years you should be hiring another hygienist just to service your 25 new patients a month. Something is wrong. You've been practicing decades with only one hygienist. You are running off as many as you attract. This is not a practice building strategy I would recommend. Take the time and money to reactivate patients with a great offer redeemable during consumer hours. Don't let patients remain forgotten. Get them coming back in.
9. **Using sad un-motivating offers that lack urgency and real appeal to your demographics.** I see practices that spend and budget 5% and more of their collection dollars on marketing but fail to ever examine what motivates a patient to call. Offers of implants, sedation, and treatment options are pretty lame. In fact anything you put in print ads that the patient would think: "Of course they do", needs to be dropped. An example would be small pictures of credit cards that you accept. They know you take credit

cards. A list of clinical treatments you can perform. They assume you already do everything. Everybody else does. We cater to cowards. How silly is this. Lose the platitudes and make them an offer. Any radio, print, TV, bill boards, newsletters… must be appealing to a females eye and within 2 seconds translate the fact that you are a dentist and the offer is worth considering. People open their mail over a trash can, and women make over 90% of the appointments. Keep in mind that new patients are looking for "Solutions to problems" and "Good feelings" (Cosmetics). *They are looking for an offer for a low stress, low cost way to meet you and find out what is wrong.* Get this right and you will have unlimited new patients. Use offers like: Free Bleaching, $1 emergency visit, consultation and necessary x-rays, free second option.

10. **Not acting NOW.** Too many doctors call me for advice and do not follow thru. Some just ruminate on the information and are frozen by procrastination. Others are just too scared to do anything. There is no learning without application. Waiting for things to change is just silly. You need to learn that even a failure moves you closer to your goal.

Go down the list. If you have checked two or more items, you have entered the failure zone. Do not stay there. Give me a call on my cell at 972-523-4660 and let me help you diagnose exactly what is wrong and get you back on tract to great future.

Few areas in Dentistry are as important as your ability to assemble a great staff. It takes even more skills to turn that "group" into a team. This book has used the headings of an organizational chart that you might see in any corporate setting. This is particularly note worthy. Truly the "practice" of Dentistry has become the "business" of dentistry. This section on Human Resources (HR) will tie together many of the chapters and skills you have already looked at. Leadership, systems, delegation, rewards, and consequences are but a few. Each chapter is like a piece of a puzzle. Leave one out and you fail to complete the picture. Each area of your practice is intimately tied to the others. Fail to balance

your attention to any one piece and it will affect all the others. While following the general feel of the other chapters, I will try to give you the philosophy and systems that will insure a "Doctor led, purpose drive, staff-owned" business model. I developed this model over 3 decades ago and have shared this with over 40,000 dentists and their staffs. It is not affected by the size of the practice or location. Demographics, income levels, or economic downturns have not blunted it's affect to create successful practices of unlimited production levels.

Doctor Led

Doctor leadership is often the last skill to be developed. Dentistry by its very nature has created systems to attract academics to its ranks. Not those who are actually skilled as business men or especially adept at dealing with people or even good with their hands. We had to make the grades to enter Dental school. Think about how you got here. Excel at your grades and pass an SAT and you arrive at college. Finally get your act together and do well in your core classes and pass an entrance exam and you're a freshman in Dental school. Fumble through the basics and arrive at clinical only to find out you lack the basic hand skills to perform in a small area. You graduate by the grace of God, and you find out you are really not prepared to wear the various hats of an owner of a small consumer driven business. We all have faced the same problems. We all have fallen short. The successful in dentistry are those who learn new skills, attract a staff to compensate for our weaknesses, and serve our patients well. Start your journey knowing the secret to success in Dentistry is a "service" state of mind.

The Wall Street Journal survey showed that CEOs found they were born with only 40% of their leadership abilities. The remaining 60% was developed through experiences. You don't have to reinvent the wheel. Leadership can be taught and passed on to others. *The first task of a leader is to define: What is* ***reality***? You must decide what is core. You must cast a vision. That vision must be measurable and specific. What is the underlying truth that drives your practice? It goes even further than a mission statement. This vision or reality creates the core of your practice: A yardstick by which all of your decisions are measured. Just as important, what are you making core that is not. Is opening

your practice Monday thru Thursday core? Of course it's not. Is only working 9 to 5 core? No. Compassion, caring, service, convenience, and integrity are the basis for reality in a consumer driven small business. These tenets never change. Your hours, fees, services are just systems that change to reflect the demographics of your patients. Core never changes. The way you deliver it does. Take your time and map out these core realities and then communicate them to your staff. You will notice I did not say: Tell them or write them down on a sign or mission statement. You have to communicate them to your staff. Whatever it takes for them to "own" these core realities is job number one. Remember: You will never go any further than the staff member with the lowest level of commitment to that vision. If the vision is not clear, no strategy will work and it will be impossible to prioritize correctly.

The proper sequence is:

1. Vision: You must be able to see it clearly and translate that to ownership by the staff.
2. Strategy: What will it take to get there? Let the staff have input.
3. Priority: How to make it happen? Use the insight on your staff to help you eliminate blind spots in your planning.

Preserving core and stimulating progress through change is the second skill of a dental leader. In the business of dentistry the only constant is change. I can truly say that the technology, materials, and systems of my practice never stay the same. They respond to new science, technology and market pressures. Never get used to status quo. When you're done with change, you're done.

The Staff won't be motivated or committed unless the doctor is. When something needs to be fixed, fix it. This includes "freeing up some one's future". Every day we make emotional deposits and withdrawals with our staff. The trouble is that the individual staff member is the only one who knows what the balance is. Show up late and leave early, fail to compliment a good job or correct problems and you are destined to a mediocre practice at best. In over 30 years of practice I was always the first to arrive and the last to leave. I never asked my

staff to do something I wouldn't do. At the end of the day I helped suck cleaner through the vacuum lines and take out the trash. We all pitched in to finish the job that was begun that day. What you do is model what you want done. Few leaders are successful unless a lot of people want them to be. Every successful practice comes through the assistance of many other people. Conversely, many people whose success stops at some point are in that position because they have cut themselves off from everyone who has helped them. They view themselves as the sole source of their achievements. As they become more self-centered and isolated, they lose their creativity and ability to succeed. Continually acknowledge your staff's contributions, and focus on appreciating and thanking others for their contributions, and focus on appreciating and thanking others, and the conditions will always grow to support your increasing success. You will never get ahead until your staff is behind you.

Don't miss what is really important: People. Whether it's your staff or patients, your ability to understand and lead them controls your ultimate success. Consensus building is paramount. The final task of a leader is to say "thank you". Sandwiched between you casting a vision and saying thank you is a commitment to your patients and staff of "service". Get a service state of mind and the money will come.

A leader can give up everything but the final responsibility. As the owner of a practice and a practice management group I can tell you if a practice is having problems, it is always the doctor's fault. By commission or omission, doing something or putting it off, you are to blame. There are three practice management laws that you must learn and commit to memory. I call them Dental Truths:

1. **There is no way to get better at giving patients what they don't want**. If you are not growing, you are not meeting your patient's needs. Regardless of the excuses about wrong location, poor demographic, economic downturn, poor staff, or low dental IQ, there is someone a couple of blocks from you doing great. Stop blaming outside influences for your lack of success. There are successful practices in virtually every small and large

town and city. In Dentistry there are two types of practices: The Donor practice and the Recipient practice. The Donor practice drives patients away by not embracing the challenges of a consumer driven business. They are not convenient, caring, or compassionate. They are the best referral source the busy practice down the street has. The Recipient practice is the one who works consumer hours, treats the patient right, listens to the patients and gives them what they want while telling them what they need, and helping them afford it. If you don't know a Donor Practice, it is you. It is very difficult to lay this out for an existing practice. They argue they are doing everything right and still not growing. The goal for any consultant is to hold up a mirror to your practice and help you truly see what is wrong. If you accept a limiting belief long enough, it becomes truth for you. Be careful what you accept as truth in your practices. If it is not what you want, change it. There are 3 letters that will guarantee your success. They are N-O-W. When is the right time to market? NOW. When should I make some practice management changes? NOW. When is the best time to reread this book? NOW. Henry Ford said it best: "You can't build a reputation on what you are going to do." Start today.

2. **Your systems are precisely designed to give you the results you're getting**. Keep doing what you're doing and you will keep getting what you're getting. If you want more, be more. Change is the only constant. With change, come choices. You need to be committed to change. Tony Robbins describes the meaning of CANI by emphasizing the need for a life time commitment to "**c**ontinued **a**nd **n**ever-ending **I**mprovement". The strength of your systems will ultimately determine the range of patients you can inspire. These systems are not static, they will constantly evolve.

3. **You must precede your practice to the next level of productivity**. When you received your dental license it meant you were just barely, not dangerous. That dental license is just a learner's permit. A commitment to a lifetime of learning is the track that will guarantee success. Productivity doesn't have anything to do with technology, and clinical skills alone will not take your practice to the next level. It takes leadership and a team

approach to reach that next level. When you are at work, be at work doing dentistry. Productivity starts in the mind of the dentist and is then communicated to the team. Enthusiasm comes from the top. Model the actions you want your staff to have. Efficiency comes thru training and delegating to the maximum extent allowed in your state. Focus your learning for maximum effect. If you want to go to the next level, you will have to make a new commitment. If you want more, you must be more. You are exactly where you want to be, otherwise you would change. Forget the excuses and start taking action.

Allow me to close leadership with *6 lessons to grow by*.

1. Know your stuff.
2. Declare your vision.
3. Maintain absolute integrity.
4. Show uncommon commitment.
5. Expect positive results. Turn disadvantages into advantages. Hidden within every disadvantage or obstacle lies an equally powerful opportunity.
6. Some 10 years ago I read an article on the truth about life. While the author's name escapes me the truth lingers on.
    a. Their will be lessons in life.
    b. There are no mistakes-only lessons.
    c. A lesson is repeated until it is learned.
    d. If you don't learn the easy lessons, they get harder. Pain will get our attention.

You don't have to reinvent the wheel. Learn from my mistakes and the hard earned lessons of a mentor.

Purpose Driven

Allow me to distill the benefits of a Purpose Driven Practice into four short thoughts. When I was young, I loved to play with a magnifying glass. On a sunny day you could focus the lens on a piece of tissue paper and it would magically erupt in flames. However, it would only work if you would move the magnifying glass the proper distance from the target to produce a pin point of light so focused it produces intense heat. Be off just a little, and it would not work. The Purpose in your practice will give all your efforts the proper focal length. It magnifies and intensifies all of your systems to work better.

1. Your "purpose" *builds morale*. It gives your staff a united purpose and creates harmony. It creates an esprit de corps.

2. Your "purpose" *reduces frustrations*. Purpose defines what we do or don't do. It eliminates ambiguity, and creates clarity. In a practice without a purpose there is a default setting. It becomes money. This creates doubt in the patients mind when it comes to following thru with treatment recommendations. No one wants to work for someone whose greatest goal in life is to just make money. Patients can tell when they are being sold. When you want the treatment more than the patient does, you have crossed the line. You can tell if you are there if the patient always wants to get a second opinion or seems confused as to your recommendations. You and your staff have become a dental practice turned time-share salesman. In this arena patients vote with their feet. If, for whatever reason, you are seeing the back of your patients heads when they walk out, you are doing something wrong. Always let your purpose revolve around serving your clients.

3. Your "purpose" *allows concentration*. It helps keep the main thing, the main thing. It concentrates your effort, and helps you become efficient and effective.

4. Your "purpose" *assists in evaluation*. It literally helps you keep score. When the staff knows and lives your vision and purpose, they know where

they stand. It is the guiding principle upon which all of your decisions and systems are based.

Staff Owned

Every practice goes thru a cycle of growth, plateau, slow down, and sell out. The time varies from doctor to doctor. The trick is to stimulate growth while preserving core (purpose). In looking at more than a thousand practices, a trend has developed. Every practice will hit a plateau at a certain dollar amount per month (usually about the $50,000/month). The practices that break through this barrier have one thing in common. They create a synergistic effect by utilizing participative management and involving their teams to create a feeling of ownership in the practice. They consult their teams on major decisions. They share the practice numbers with the staff to encourage a team effort to increase productivity while pushing the overhead down. They share the wealth through a well thought out bonus plan. When a well run practice does better, the staff are paid more. This synergism allows 5 staff members to produce more than a 10 staff member office. In my practice the staff hired the staff. They even had final say on who I brought in as partners. I have found that staff, and women in general, are more gifted in assessing an applicants abilities and understanding the dynamics of adding this person to the mix of an already great team. I used my staff to compensate for my inadequacies in hiring the right person. The average stay of an employee in my office was 14.5 years. Many were there over 25 years. This one tool accounts for a vast majority of the success in my practice. A staff owned practice:

- *Creates high communication*. Lack of communication is the major cause of system break down. Consensus building and success in execution of systems can only occur with a high level of communications.

- *Has alignment of vision*. This is the “purpose” of your practice in motion.

- *Allows participative leadership*. This creates the synergistic effect of a small number of staff succeeding where other practices need twice as many people to get to the same level. It is kind of the lean and mean approach. We all know our jobs, and purpose. We have each others back's. We know what has to be done and no one leaves till everyone finishes. It is the essence of "team" thinking and action. We are no longer a group pulling in different directions. We are united in purpose, and the patients can see how well we work to serve them.

- *Must have shared responsibility*. With any job there are consequences. Each staff person knows the game and the score. They help control the schedule to be more productive. They lower the overhead. They understand that the bonus is merely a way to share the profits for a job well done. In the best practices, the doctor, during a busy schedule, is just a pair of hands. Just another staff member doing their job. Often times the staff directs the doctor without consult to maximize the day's productivity. A team effort for a team reward.

- *Is always future focused*. If you have high communication, participative leadership with shared responsibility and a commitment to the purpose of the practice, you will have a staff that focuses on the future. The stress level will drop. You will have a self managed team. They will come to you with solutions to problems rather than being the problem. They will suggest strategies and continuing education to maximize the potential of the office and team. We will have created an atmosphere of self starters that understand this is no longer a job but a profession. That I no longer have an hourly wage, but an unlimited earning potential. That I am a valued member of a team united for a common purpose.

Patrick Lencioni wrote a book called "The 5 Dysfunctions of a Team". It best summarizes the results of a well run functioning team.

- They trust one another.
- They engage in unfiltered conflict around ideas.
- They commit to decisions and plans of action.
- They hold one another accountable for delivering against those plans.
- They focus on the achievement of collective results.

(Don't miss the opportunity to read any of Patrick's books. Each one deals with areas of management.)

The opposite is also true. In a seminar given by Patrick Wahl DMD he described workplace chaos as:

- Failure to give credit.
- Failure to correct grievances.
- Failure to encourage.
- Criticizing in front of others.
- Failure to ask employees their opinion.

As we step from philosophy of leadership and management of a team to the actual day to day the rubber meets the road applications, please keep one thing in mind. *You will be recruiting your staff from a pool of "as is" applicants*. Remember the blue light specials at Target. The announcement would be made that there is a table below the blue light with special discounts and pricing. When you arrived at the table and looked at the products for sale you would notice a sign that warned that these items have small defects, deficiencies, and are sold "as is". It was a, buyer beware statement: Great prices, but buy at your own risk. People are a lot like the items on that table. Each and every one of us is sold as is, warts and all. *There are no perfect staff applicants*. In fact there is a common misconception about who you should hire. I never looked for super stars. They

always seemed to play for themselves. Not really a team player. One should *always hire for attitude and train for skill*. Always look for enthusiasm and people skills because you cannot teach this. Add perfect systems and you can't loose. Systems are creatable and eliminate personalities from the process to create a consistent result. Systems make procedures reproducible with any staff. I'm fond of saying "I could teach anyone to suck spit", but I need someone who is a great communicator who shows compassion and caring to make the patient show up, pay for treatment, and refer everyone they know. Remember: Always hire for attitude and train for skill. The final misconception is: Always hire staff with lots of experience. I have had great staff with experience but the opposite is also true. Some of the worst hires I have made were people with 10 years of experience. The problem is they want to do it the way they did in the previous office. They are difficult to retrain. They always seem to resort to poor habits learned from a lifetime of bad training or systems. Some of the best staffs are found from different professions that would fall under the category of consumer driven businesses. I always found waitresses to be great assistants. They had great personalities (They had 30 seconds to make a good impression to secure a great tip), and they multitasked well. As a waitress they would hear the ice settle in a glass and without looking would bring out the water or ice tea moments latter, while still being attentive to food service at another table. Bank tellers, while paid very little, have good personalities, deal with people, and dot the i's and cross the t's to balance their drawer at the end of the day. They make great front desk people. Hope you get the idea. Think out of the box to assemble a great Team. One last thing: There will come a time when you will have to "free up some ones future" (fire them). You either have the right people who are in need of training or your have the wrong people and they need to be replaced. You must make that decision. Training an employee well and having them leave the practice is not as expensive as not training them and having them stay.

Put another way:

1. You have to get the wrong people off the bus.
2. You have to get the right people on the bus.

3. You have to get the right people on the bus and in the right seat.

4. And finally, you have to drive the bus. You are responsible to the direction and destination of your practice (bus).

Because of the "staff owned" model and my propensity to delegate in such a way as to encourage a self managed teams, many of the daily problems most doctors face, disappear. The basics must still be there. You need a well written office manual. It should, from a legal standpoint, cover all HR concerns along with rules regulations and job descriptions. This manual should also close with a binding arbitration agreement to prevent frivolous law suits. It should also be noted that every office manual is never finished. It is constantly updated as jobs change and challenges appear. If there is a problem that is new and you have to address it, then it should be added to the manual. In this litigious society it is truly a lawsuit lottery with HR suits leading the way. The office manual is your first line of defense and is also your staff's code of conduct. It will remove the ambiguity from the daily activities of your practice.

We take the time to document and train our staff. In an office where the staff makes the decisions on hiring and firing, it takes little or no time to train them. The staff seem to always attract and hire the best person for the job. In fact, in 30 years I only had one employee that I had to fire. Remember to update your training manuals and job descriptions. It is not the employees fault if they are not trained and monitored correctly. No one takes a position to do a poor job. As I said before: You either have the right people who are in need of training or you have the wrong people and they need to be replaced. It is no longer good enough to have good staffs. You have to have the best team you can put together. Waiting to retrain someone or fire them is the worst management decision you can make. Act as soon as you discover a problem.

Every one in the office has a graph representing their performance. This graph measures the one or two things that make that position important. As an example, for the hygienist they keep a graph on their production on a weekly basis, the number of soft tissue patients they start, and the number of crowns they present. If you think about it, if they did well in these areas you would have a great hygiene department. The Hawthorne Effect says: What gets measured gets done. Decide what should be measured at each position, and begin today. Don't pull the information off the computer. Make them keep it by hand and post it in the staff area for all to see. As long as the graph is going up, things are good and there is no need to confront the staff member on how to better accomplish their jobs. If it goes down, act quickly to find out why and help them turn it around. This should be done in such a way as to promote consensus of purpose with no condemnation. We are all working together to take our practice to the next level.

When it comes to an actual day of work, every thing comes into play. There are large practices and smaller ones. The common one doctor, one assistant, one hygienist and one front desk office is the easiest to manage. No passing the buck. Everyone knows their job, and everyone understands that if they don't do it, it won't get done. The office is physically small which makes it easier for the doctor to keep tabs on what is going on. Change this formula and you are now faced with delegating more procedures and depending on others to follow thru without your direct supervision.

My office was a 9 hygienist office with 3 doctors and 12 staff members open six days a week and producing millions of dollars a year with a 50% overhead. This is the other extreme: A corporate practice with a team leader or business administrator and a lot of bodies running around all week long. Strangely enough, the core realities of a Purpose driven, Doctor led, the Staff owned model never changed. With the increase of people and facility size we had team leaders for the front desk, hygiene department, and clinical staff. This allowed me to monitor these areas without having to micromanage each position. Each staff member still kept a graph of the couple of things most important to their jobs. The leaders intercepted

potential problems before they could grow and brought concerns from their areas to me to make a final decision on. Problems were dealt with immediately and put to rest. We never used a staff meetings as just a problem solving gathering. We never delayed dealing with these areas until a formal meeting. (Staff meetings were reserved for improving our systems and strategic planning) In most cases, problems were layed to rest the day we became aware of them. The staff, through their felling of ownership and purpose, had the authority to handle most things that arose. We always had a written policy to guarantee the patients satisfaction (It is against the law to warranty a result, but not the perception of satisfaction by the patient). We either do it over or return their money. In the rare case of the patient who got upset at us, we still earned their respect by honoring our warranty and making it right. This is the service state of mind. We always looked at the lifetime value of the patient and their families rather than the one time procedure or sale.

While our manual of practice management procedures and systems take up a 400 page volume, the important foundation of how, what, why, and when we do things is controlled by the purpose driven, doctor led, staff owned model. Take the way you practice and let these principles govern your actions and you will be on your way to the next level of successful practice.

Allow me to close with a quote from Francoise Chateaubriand:

"The master in the art of living makes little distinction between his work and his play, his labor and his leisure, his mind and his body, his information and his recreation, his love and his religion. He hardly knows which is which. He simply pursues his vision of excellence at whatever he does, leaving others to decide whether he is working or playing. To him he's always doing both."

The Competitive Edge

Confessions of a "Little Guy" Dentist

When it comes to football it's size and speed, speed and eye hand coordination in baseball and tennis, add the perfect genes and early childhood training and you have the making of a super athlete. It was not to be, for me. I must have been about 13 years of age while weighing 80 lbs. and 4 foot nothing lined up against another 7th grader who was 6 ft. tall, receding hair line, and a day's growth of beard, that I realized I was not gifted with "natural" ability for sports. I guess I still resent the A-team guys who seemed to always be in the lime light and got to date the cheerleader. Every one of us comes up short on something. We were not quite as big, as smart, or good looking. That's why I have the "little guy attitude". I am always looking for a head start or an edge to compensate for my short comings. I embrace Jim Rhone's, the "Ant Philosophy"

- **Ants never give up**. They come up against an obstacle: They go over it, around it, or under it. They never give up. Ants think winter all summer. You can't think summer all summer. You need to save and plan for the future. Ants think summer all winter. **Always optimistic**. The first sunny day, they are out working and thinking summer all winter. Weather changes, they are back under ground. We could all benefit by being more like ants. Persistence and forsight win over shear talent any day.

What could this possibly have to do with dentistry? Everything. My fear of failure coupled with an obsession to do better than anyone else, drove me to excellence in my chosen profession. Lessons from a life of wanting to do better can be a help to everyone.

- Situational awareness.
- Fail forward

- Never give up
- Embrace change. When you are done with change, you are done.
- Every practice is a general practice
- Every practice works at capacity
- The strength of your practice systems will ultimately determine the range of patients that you can inspire
- The only limits to practice growth are those you have consciously or unconsciously imposed on yourself.
- Balance
- Give back
- Don't believe your own press or what others say about you
- Say thank you to those who helped you
- Become a Leader

Marketing 101

The "practice of dentistry" has become the "business of dentistry". The buzz word of today is Consumerism. Far too many dentist "hide in plain sight". How do we become remarkable? How can we get our fair share of the patients in an ever competitive environment? Marketing can mean more opportunities, more fee-for-service dentistry, reduced stress better systems, improved quality, and will remove the pressure to sell.

There are five tenets in marketing that every office must know.

1. **The budget**. In our benchmarks of a General Dental Practice we suggest that you count on spending 3-5% of your gross collections on marketing. Determine what you are currently spending on any marketing, and decide if the money is well spent. If you are not getting at least a 3 to 1 Return on Investment, consider altering the type of marketing or offers you are

making. Once we decide on the dollar amount we must allocate it to a variety of different marketing outreaches.

2. **Case Average**: Divide the average number of new patients into your average production to get your production amount per new patient (This is not the production for each patient, but gives us a dollar amount per each new patient). This amount will determine what each new patient is worth. This will allow you to determine your return on investment (ROI).
3. **Tracking**. Far too often, I find doctors tracking their marketing by how many patients make appointments from a particular marketing strategy. Instead, we should measure the number of phone calls generated by each marketing strategy. It is not the fault of the marketer if they generate calls but the front desk cannot persuade them to schedule. If this happens, you have the wrong person answering the phone.
4. **Referral Mechanism**. What truly makes marketing work is your ability to turn a marketed patient into a referral source. Do this and your ROI goes out the roof. What you spent on one patient may yield 5 or 10.
5. **Capacity**. This is the over-riding valve that will control new patients. You must have peak demand times, physical plant, and come off as being convenient, compassionate, confident, and competent. All this must be transferred with the first phone call. Patients vote with their feet. If they do not schedule, you are not consumer friendly.

   One last word of advice: Good practices don't need to market (they already are doing things right and have their share of the crowd), and poor practices shouldn't market (they will just keep running patients off by not having their house in order). Don't look for an external solution for an internal problem. Give us a call today and let us do a complimentary evaluation of your numbers, practice, and systems. Learn what is holding you back and what to do about it.

100% Failure: Guaranteed or Poison Patterns

Last month, I wrote an article entitled “Donor and Recipient Practices” for The Profitable Dentist Newsletter. We have had hundreds of doctors responding to the article and our offer to send information to reverse this trend in many offices around the US. I have included that article and another follow up article on “Poison Patterns”. Read the one on Donor and Recipient Practices first. This follow up article is a response to the new graduates and those of us who are ageing not so gracefully. While these two age groups seem to exhibit poison pattern traits more often than not, I would have to say that any age is susceptible.

These patterns will almost guarantee failure in any business venture. I would have to say that Dentist’s and their staffs seem to be the most susceptible and therefore the most likely to fall victim from these poison patterns. These patterns or characteristics highlight the personalities and operating traits of every marginal dental practice we have met. So common are these patterns, that once identified and corrected, we can almost assure an increase in profitability, new patients, and satisfaction in practicing dentistry from the doctor and staff. Read and study the list carefully. Understand that infected parties are the last ones to know their own symptoms. These patterns are so devious and sinister as to seem logical and of little importance for the infected doctor and staff. Often times the worst offenders feel like they are symptom free, when in fact they infect everyone they know. In order for you not to miss the significance of even a couple of symptoms from the list, we have also forwarded you an Excel Spread Sheet that will allow us to diagnose any blockages and patterns that may be holding you back. Fill it out, email it back in, and I or Max will spend an hour or so with you on the phone diagnosing why you are not having a banner year. Correct the areas we diagnose and you will be on your way to at least a 15% increase in profitability and a decrease in stress and overhead.

POISON PATTERNS:

1. **Entitlement**. Feeling like you have put in the time and effort thru years of practice should guarantee you low overhead, limitless number of new patients, and a 50% overhead. I even see new graduates exhibiting entitlement by thinking that they are owed an income level or cushy job because they graduated from dental school. As you know, a new graduate is "just barely not dangerous". The fact is, if you have been in the same location more than 10-15 years you are probably in the wrong place. If you have been practicing pretty much the same way for more than ten years, you are probably not even in touch with the reality of running a small consumer driven practice. Demographics, competition, median household incomes, race, and educational levels always change with time. Fail to meet these changes creates a plateau, increase in cancelations and no-shows, lower productivity, and fewer new patients. It is time to get back to the mantra we all used when we first started practicing: **Whatever it takes**. Gone are the times of no competition, work whenever we want, and charge whatever we think we can get away with. Welcome to the new economy. Change or die. If you are thinking that you can coast or just stick it out until the economy turns around, you are guilty of entitlement. When you are done with change, you are DONE.
2. **Fear of setting prosperity goals (fear of failure)**: We all know that goal setting works, yet most of us are guilty of spending more time planning a vacation than engineering goals for our practices. If you are too tired, worn out, or your gitty-up has gotten up and gone, you need to remember that the guy down the street still has something to prove and he or she is willing to do whatever it takes to survive and become a success. To set a goal, you need a benchmark, a target at which to aim at. Fill out the included spread sheet and fax, email, or snail mail it back and let us help you set those goals. We will give you direction along with a reason to challenge yourself with

prosperity goals. Waiting to see what happens is over-rated. Start today, find out where you are, create some challenging goals and begin moving forward to that next prosperous stage of practice.

3. **No Promotional Consistency**: Doing marketing on a hit and miss pattern only guarantees a miss in results. Marketing grows thru consistency of a well engineered marketing plan. It requires dedicating at least 5% of your income to a systematic outreach program that is dictated by your area demographics with a significant offer and urgency to act in order to meet our benchmark of 50-70 new patients per doctor. A result like this is predictable and will assure a steady growth rate of 15% along with the cushion of knowing that you are recession proof. Add to this, consumer hours, a great telephone strategy, and comparable fees and you can't miss. Don't settle of just getting by while blaming a poor economy that might or might not correct. Recessions separate the marginal from the great. Business failures are nature's way of saying: You are doing it wrong. Give us a call and let us put you on the path of strategic marketing with a predictable return on your investment.
4. **Capacity**: Capacity is the ability to deliver dental services when the patient wants them at a price they are willing to pay. How do you know that you have the perfect capacity? You are growing. Lack of capacity could include poor consumer hours or convenience (not being there when the patient wants the work done). Poor pricing by not keeping comparables comparable will insure a lack of growth and internal referrals. Not having enough chairs or staff or even too many(Your staff should be producing about $20,000-25,000/staff person/month, and produce about $25-30,000/month/operatory). Generally inadequate capacity can be diagnosed and fixed in a matter of days by changing systems or purchasing equipment at the right time. Excess staff or chairs means having too high an overhead (Facility cost goal would be 7-9% of collections, and Staff overhead should be 25% including associates and any other expenses dedicated to staff). You must have peak demand times (7-10, and 3-

6 each day and all day Saturday) in order to grow. Being overbooked or not having sufficient peak demand times open for productive cases and new patients is a killer of growth (you must be able to get cleaning in within 5 days, exam 48 hours, emergency same day, and hygiene follow thru on soft tissue within 10 days). Capacity is time and efficiency in motion. If you have and use capacity properly you will maximize effectiveness and efficiency.

5. **Target fixation**: Dwelling on a single problem like the economy is "negative goal setting". The Bible says: Worry about nothing, pray about everything. I am not saying to not be aware of your circumstances, but when you get fixated to the point of everything is the poor economy, you are wasting your personal resources. You have become like a deer caught in the headlights of an on-coming car. Acknowledge your circumstances but then make a conscious decision to not have your circumstances dictate your response, and certainly not your outcome. We see practices that are having a twenty to thirty percent increase in business this year over last. Are they working harder? Yes. Are they doing the practice of dentistry differently? Yes. Are they succeeding in spite of what others wallow in? Absolutely. From now on, decide you are not participating in negative talk or think. You will set prosperity goals and act in such a way as to not be drawn into a marginal practice. Your goal is a 15% increase for the rest of the year.
6. **Financial Captivity**: Not learning how to balance your life and your money will only bring stress and disappointment. A couple of months back Max wrote an article about the "Fulfillment Curve". You need to go back and reread it. With every copy of our newsletter, you have the ability to go back and read or reread a past article. It will change your life. I practiced with a great dentist as a partner for 15 years. He was great with the patients, a great clinician, and good producer. His dark side was his complete inability to plan and hold on to his money. He always found a way to spend more than he made. He has always struggled to spend less and plan

for the future. Too often, we find this trait in Dentist that we mentor. It seems to be tied to a type of entitlement that they feel when stressed. They work hard and feel that they are justified in spending to offset the stress associated with their practice. This is a self destructive habit that will drag you down.

7. **Lack of Consumerism**: We have touched on this in the previous 6 categories or poison patters. In today's economy, potential patients vote with their feet. If you have an increased no show ratio, fewer new patients, and even fewer direct referrals, and even when they actually come in you keep seeing the back of their neck as they walk out the door to get a second opinion (donor vs. recipient practice), you are not taking into consideration that nothing happens until the patient (consumer) says yes. Fail to meet the expectation of the consumer (being caring, compassionate, comparable in pricing, competent, confident, convenient, and able to do what they "want" rather than just what you think they "need"), and you are destined to have your practice fail. Never, never be caught trying to sell the consumer something they do not want. If you are not growing, you are not inspiring the patient and are not meeting their needs. Stop. Look. Listen. What type of relationship do you search out in small consumer businesses that you frequent? This is what your patients and the public want from you. Stop practicing like you are doing them a favor by being there. The patient is not the problem. The patient is your job.

If anything resonated here both about poison patterns and donor vs. recipient practices, you have your work cut out for you. Take the time to fill out the information about your practice and send it back. You have nothing to lose. It is easy to put it off till next month. The problem is that next month turns into next year and your career ends up never really being what you always wanted. Give me a call today and find out how your practice can be more than you ever thought possible.

What You do Every Day May Not Be Your Job

Every couple of weeks someone prepares a payroll for your office. Every month someone pays the bills, and as owner you get to take what's left. This common place occurrence tends to mislead doctors and staffs into thinking they were hired to do a particular job and that if they do it with excellence, they will be richly rewarded. Here in lies the problem. What you physically do every day is not your real job, and certainly is not what pays your salary. Let me explain.

Too often I find that staffs and doctors don't really understand what their job really is. If you are a front desk staff, you might think your job is scheduling, answering the phone, and taking the money. That is what you do, but that is not your job. Your job is to be compassionate, caring, confident, and competent, while reading each patient's body language and what they say in such a way as to "*inspire*" each patient so that they cannot help but tell everyone they know about your office. Inspiring the patient is what you are paid for. Everything else is just what you do. How do you know if your front staff understands their job? Look at the results. If they just try to fill the schedule so that there are no blank spaces, they do not understand what they are paid to do. If you have an appointment from 3-4:30 and she extends it to 5 so that the page looks full, they are clueless. If they lengthen appointments just in front of lunch because you never finish on time and they never get lunch, they do not understand. Their job is to inspire patients so that they can engineer your appointment book with people who know this is the only place in town that makes them feel good.

Consider the Hygienist. She cleans teeth, educates the patient, and takes x-rays and medical information in order to present the finest dentistry that you can perform. She thinks her job is producing 3X what she is paid and doing a great job diagnosing and treating periodontal disease: Kind of your in-office gum "doctor". Trouble is nothing happens in the office until the patient says yes. The patient will never say yes until you are able to *inspire* them. Patients vote with their feet.

If you are constantly seeing the back of their heads as they leave for a second opinion, you can be sure you are not inspiring them. Your hygienist should *inspire* your patients by listening to what they want and what their budget is and then tell them what they need. They should always understand that whatever they find is worse than they thought.

Assistants think their job is seating the patient, setting up the room, assisting the doctor and breaking down the room and dismissing the patient. This is what they do; it is not what they are paid for. Their real job is reading body language, while being compassionate and caring. This is what *inspires* a patient to show up on time, follow through with treatment and refer everyone they know. This is what inspires patients to want to be part of your practice. Don't confuse what you do with what your job is. All those things like, sucking spit, handling instruments and cleaning up are just what you do while you are doing your real job: *Inspiring* the patient.

Jeff Foxworthy's entire comedy career is based on a one liner that completes the statement: "You may be a redneck if….." In much the same way, you may not be "*Inspiring* your patients if…"

- Your marketing doesn't work. People call but they never schedule. (Front desk did not inspire them by coming across as caring and compassionate)
- Your Cancellations and No-Shows are increasing.
- Patients always want a second opinion.
- Patients need to check with their spouses before making a decision.
- Your office staff goes somewhere else to have their dentistry done. Don't laugh, it happens all the time.
- Your production is spiraling down. You are only busy about 50-60% of the time.
- When asked if they want to make an appointment, patients just say they will call back. They never do.

- If you are never on time, and constantly run over.
- There is always more month left than money, and
- you have trouble paying your bills and staff.
- You go to family reunions to get a date. (That was Jeff's but probably works here too)

Hope you get the idea. There was a movie a couple of years ago called "She's Just Not That In To You" Long story about failed relationships and how people make excuses to avoid one another. It is the same thing here. If you are not *Inspiring* the people you work with or the people you work on, you can be sure that "Your Patients Are Just Not That In To You". The only way to reverse this is to start Inspiring them. Everyone of them is different, and everyone is special. Take a hard look at what you're doing and start doing something else. *Inspire* your staff, patients, and yourself and there is no limit to where your practice will take you.

PS If this does not make sense to you, go back and read our article on Donor and Recipient practices.

You Can't Handle the Truth

A Cathartic Rambling that probably should never be published.

I know what to say, but I can't say it. *One of our Summit Coaches*

I know what I need to say, but you can't handle it. *Michael Abernathy*

I know what you need to hear, but you won't listen. *Max Gotcher*

You can't handle the truth. Jack Nicholson

Hopefully Max will never put this in the newsletter. Max and I were talking on the phone the other day, when he related a call he had received earlier in the day. A fiftyish doctor had called and was ruminating about how poorly his practice was doing, and how few (7-9/month) new patients he was attracting. After listening for some time, Max asked him (he was really thinking one of the 4 statements that began this rant) if his area had much managed care or potential clients on various types of insurance plans. The answer was yes, it is always yes with most doctors we speak to, but he added: "You can't do *quality* dentistry with managed care fees". This response was tantamount to: "I would never take managed care". It could have easily been an answer like: Marketing is unethical, I'll never work a Friday or Saturday, I need four personal assistants, I'd rather kill myself than see kids, do ortho, do fillings… you get the idea. There Max was: Stuck between telling him the truth, and losing the potential client. He knew what they needed to hear, but he also knew the doctor wouldn't listen. Should Max tell him the truth up front where it would make the most difference, or slowly, over time let him come to the revelation that certain things change and if you don't change with them you are destined for mediocrity. In other words, if you are done with change, you're done.

I actually own the domain name: www.dentaltruth.com. I just never had the testicular fortitude to use it. So let me take you into the dark side of consulting: The truth that we struggle with each day. Coaches, mentors, consultants, authors, and speakers walk a very thin line. How do we help someone understand their predicament without insulting them? How do we approach advice in such a way as to have the recipient embrace it? They can't afford to stop listening, nor can they continue on the path they have chosen. Can a doctor who asks for help actually accept the best advice we can give in order to extricate themselves from their challenge? If you tell them the truth (It is always the Doctors fault) will they continue to work with you, or will you alienate them to the point they stop searching for help? I would have to say the answer is NO!

Most can't handle the truth and, yes we need to eventually tell them the truth at the tipping point of a relationship where they trust us enough to know that we have their best interest at heart (Kind of like case presentations in your offices). In most cases, we could fix a practice in a matter of days, if we didn't have to convince a doctor and staff to embrace the change, and leave most of what they are currently doing behind. Most of what we find practices doing is the result of a little study, a lot of trial and error, and sometimes resignation that this is as good as it gets. We're here to tell you that any practice can become profitable, fun, and predictably successful.

Remember when you were young and some old guy (20 or so) or one of your parents told you it was impossible to do something, or you would get hurt, or blah, blah, blah. You get the idea. You're thinking: They're just old and set in their ways, they'll never change. You guys are soooooo stupid. Well, we're the old guys and all the dentists we talk to are the young ones. I guess some of us are just too close to the forest to see the trees.

One of my favorite comedians was George Carlin. He would use everyday situations and words to compare and contrast in order for you to think about the absurdity of a particular situation. Consider these things that make you go mmmm?

- Why are "quality" and clinical speed mutually exclusive? So I guess going above a certain speed means you can't do "quality" work? Probably doing a crown, buildup, and impressions in one hour would cross the line. Only crowns done in 90 minutes are quality.
- Why are "quality" and fee related? So, you can only do "quality" work if you charge above the going rate? Is the quality zone 20% higher or some other percentage?
- Why are "quality" and type of procedure related? Is the only quality dentistry sedation crown and bridge, or "cosmetic" dentistry? I guess there are no quality fillings or extractions, or adjustments on dentures.

- Is every restoration performed in the US on managed care or Medicaid patients just crap dentistry?
- If you provide health insurance for yourself, your family, staff and their families, etc., is it a managed care plan and therefore of poor quality?
- If you go to a "plan" MD or hospital, are you automatically receiving low-quality, substandard care?
- Do you know the meaning of "double standard"?

I feel a little like the news commentator Andy Rooney. I love his segment at the end of a broadcast. Bushy eyebrows, stoic dry humor, telling it like it is. His ranting and opinions mirror most of ours at some point but we're too polite to actually say it. He always starts out: "I don't understand…. Or I don't really like …. And then goes on for a 3 minute diatribe that really makes since. Excuse my Rooney-esque article this month, but everyone one of you need to see your practice as it really is. Forget the justifications, excuses, and little games of blame shifting and just become the leader and business person you need to be.

Every day we have the privilege to hear your challenges and share our experiences in order to help you minimize your mistakes and flourish in your practice. If truth be known, I wouldn't have it any other way. I love helping other doctors become the doctor they always wanted to be. It's frustrating and fulfilling.

Much of the frustration stems from trying to throttle back on our natural tendency to just fix the problem. Do this and the client is destined to make the same mistake again. We need to have you participate in the process, understand the reasons behind the systems and strategies, and at some point become self managing.

Max and I were a little surprised at where you go to seek coaching. There is a literal explosion of management groups headed by some very

successful dentists with little or no experience in coaching or teaching others. We were surprised because just two, five, or ten years earlier we taught many of these same doctors how to get to the next level for their struggling practices. It was our systems; marketing; leadership training; and staff team building that doubled and tripled their practices. I was asked after giving a lecture at a well know multi-speaker seminar, how we differed from some other management group in attendance. They were trying to decide between the new kid on the block and our 20 year plus group (Summit). As it usually turns out, we had trained the other consultant. We originated the material they were using. We were proud to help them, and proud of their success, but now they were touting their track record, but forgetting to give credit where credit was due. Kind of reminds me of a story from my past. I have taken and taught various forms of karate and self defense for almost 40 years. I was sparing with an instructor that was particularly aggressive and had a cruel streak. He basically would take any opportunity to hurt you. He took me down and took his shin and with all his weight ran it across my calf. Done properly it will easily tear the calf muscle and if done poorly, you will wish it had torn the muscle. It made me so made that I immediately took my free leg and placed a heal kick to his chest and jumped up ready to take him on. It was game on for both of us. I was tired of his bullying and intentional cheap shots and was ready to challenge my teacher. It only took about 8 seconds for him to drop me with a flourish of kicks and punches ending with him standing with his right foot across my throat. I will never forget what he said: "Before you take me on again, don't forget, *I taught you everything you know. I didn't teach you everything I know".* I made the fatal mistake of thinking that I was ready to take on someone who had 20 years of experience over me in a one on one fight. Great lesson, painful lesson, but I will never forget to pick my fights and give credit where credit is due.

Back to the subject at hand. I guess I am writing this to encourage each and every practice that reads this to give us a call. Anyone who has ever spoken with me can testify that I have never tried to sell them

anything. I have always felt that sharing with other doctors has its own reward. If after looking at the facts, implementing our strategies, and getting the results, you decide to give Summit a call for some more in depth consulting, all the better. Last month I offered to spend several hours on the phone with anyone who would fill out an attached spread sheet, send a P&L, and copy a few days of your schedule. These simple three items will allow me to completely diagnose ninety percent of you blockages and give you black and white answers to your questions. I would like to try one more time. This is too important for you not to take advantage of this offer. We have included the form with this article. If you are still not sure, just give me a call on my cell at 972-523-4660 or email me at abernathy2004@yahoo.com .

SUMMIT
PRACTICE SOLUTIONS

CASE ACCEPTANCE

We regularly receive questions about case acceptance, indicating that there is a lot of confusion in dentistry about the subject in general. It seems to mean different things to different people. If you attend enough continuing education courses, you never seem to discover a common consensus about how you define or measure it.

In a recent email, a doctor posed 3 questions about case acceptance and how to measure it:

1. If the patient says yes at the chair, or in the consultation room, does that mean they have accepted your entire treatment plan?

2. Does the patient have to say yes and then pay for all of the treatment for there to be case acceptance? (If they pay as they go would that still be case acceptance?)
3. What if the patient starts the treatment but for some reason stops prior to completion of the entire treatment plan?

In this document, we are going to answer these questions and give you everything you ever wanted to know about case acceptance. I call it my "*can't miss, shooting dead fish in a barrel with a bazooka strategy to 100% case acceptance*".

So, what is case acceptance? Remember, in any case presentation the bottom line is to "tie the patient to the office". I consider case acceptance to have occurred when **the patient says yes, shows up, pays for treatment, and refers everyone they know.**

Let me take a moment and tell you what case acceptance is not. The patient can say "yes" and still not have accepted the case. The only reason they said yes was to get out of the consultation room (otherwise they would have to listen to the Doctor go on and on and on and on). They had no intention of actually showing up for the appointment. The process of case acceptance starts with the first phone call. Miss any step, mess up once, and you're done. What if they say yes, show up and change the treatment plan? Instead of a crown and buildup you are faced with doing an extraction. What if they say yes in the treatment room but can't afford it or you can't fit it into their budget? They say yes but you're not open during the hours when they want to come in? They need to come in after work or maybe on Friday or Saturday. As you can see, case acceptance is not a moment in time but a series of systems that set the stage and carry the patient through to a successful result. Only if the patient says yes, shows up, pays for treatment, and refers everyone they know do we have true case acceptance. Our patients vote with their feet. If you keep seeing the backs of their heads, something is wrong.

Where do we start? Let's look at it from the patient's point of view. I'm going to show up at your door step in one of two scenarios: I call with a problem (toothache) or I call and want my teeth cleaned. From the perspective of the caller (potential patient) these are the only things I know to ask for. As a consultant, I feel we need to give the patient more of what he or she wants, and less of what he or she doesn't want. Remember, you can't get better at giving patients what they don't want. If a potential patient calls and you can't say yes to what they ask for, the first step in the system of successful case acceptance has failed. As the patient, I want my teeth cleaned or I want the problem to go away. We sell "**solutions to problems**" and "**good feelings**". You must happily give them what they want, and tell them what they need. The trick is to help them "want" what they need, and fit it into an already tight budget.

How, as dental professionals, do we balance this ethical dilemma with running a consumer driven business? Let's look at it from the doctor's point of view. We have conflicting strategies of what the new patient "experience" should look like. It seems that every guru or consultant has a different definition of what "comprehensive dentistry" is and how we should deliver it. How can we determine what to do? Axiom #1: You must tell the patient what is wrong, what caused it, what will happen if it is not addressed and what you recommend as treatment options. Axiom #2: You must give the patient what they want, in order to have the opportunity to eventually deliver what they need. Vary from these principles and your case acceptance will plummet. These last few sentences form the foundation to excellent case acceptance. Misunderstand their implications and you will ruin any opportunity at success in dentistry. Before you challenge any of the above, remember: **If you are not growing you are not meeting your patient's needs**.

Back to the original question from our doctor: There are really four potential outcomes from our case presentation and the patient will say or respond with "Yes" or "No" four separate times:

With the doctor	Financial Secretary	Scheduling Coordinator	Show up for appointment
YES	NO	NO	NO
YES	YES	NO	NO
YES	YES	YES	NO
YES	YES	YES	YES

In each case the patient says "yes" at least once. In the first three situations the patient could not afford it, put off scheduling the appointment, or made the appointment and didn't show. Only the last scenario is true case acceptance. Remember: You can't get better at giving patients what they don't want.

The following form will help you start monitoring your progress in case acceptance. Before you can get better at case acceptance you need to know where you are. Keep very careful records for the next 30 days.

Daily Presentations Monitor

Date	Patient Name	Procedures Presented	Fee Presented	Procedures Accepted	Fee Accepted

You can create something similar on your computer, or call or email us and we will email it to you right away. It would be great to begin this monitoring ASAP.

As a point of reference and a quick review take a moment and read these **six** bullet points.

- You can't get better at giving people what they don't want.
- If you are not growing, you are not meeting your patient's needs.
- Your systems are precisely designed to give you the results you are getting.
- You must happily give patients what they want, and tell them what they need.
- We sell "solutions to problems" and "good feelings". Nothing else!
- True case acceptance is when the patient says yes, shows up, pays for treatment, and refers everyone they know.

If you are not currently monitoring your case acceptance success, start today.

If you are not having a 90%+ case acceptance you have violated one or all of the above cornerstones to 100% case acceptance. The monkey score is 67% if you will just tell them what's wrong. In other words, you could have the worst location, terrible staff, poor clinical skills, and never bath and still get over 65% of your unlucky victims to say yes. The number one reason patients don't have their needed dental work done is that no one told them they had a problem. (More on this latter)

Next, I would like to cover the goals of case acceptance and why patients say "yes".

1. **Tie the patient to the office**. Every approach works with someone, but our goal is over 90%. The bond that ties the patient to the office begins far in advance of you actually seeing them. It's all about systems. That first phone call and how they are handled. Your goal should be for every patient to say that you, your staff, and office is caring, compassionate, convenient, and competent. What you need to remember is that each of these areas means something different to each patient. It is not good enough to just have a script or a set of guidelines for all of your patients. You must hire staff members who are by nature caring, compassionate, and who truly enjoy dealing with people. You can teach anyone to suck spit or schedule. Only in this way can you be sure of giving each patient what they need in order to have them refer every one they know. There are two types of practices. The Donor Practice --- through poor systems and a lack of caring and compassionate staff and Doctor, alienate most of the patients they meet. The other is the Recipient Practice. They are the practice down the street that quietly builds a dental empire by treating patients right (giving them what they want, and telling them what they need in a caring, compassionate way). Both have almost a 100% case acceptance. Doctor Donor (DD) runs them off so that Doctor Recipient (DR) can complete the case DD diagnosed. Patients vote with their feet. If you keep seeing the back of their heads, you are doing something wrong.

2. **Never lose a patient**. On first glance, this may seem the same as number one. Kind of like an office policy manual listing rules. There is office rule number 1, with all the other rules saying "if in doubt, go back to rule number one". This really is different. This refers to the personality and systems of the practice that seem to say, "its my way or the highway". I know you would never do anything to give the patient this perception. Remember: Only the patient gets a vote. There are really two types of personalities when we talk about Doctors. We have the "Assertive" (which we will abbreviate as ASS). This is the dentist turned time-share salesman. They have the tendency to overwhelm the patients and are perceived as pushy and overbearing. You can tell if this is the case because a lot of your patients want a second opinion, or your CA/NS ratio is higher than 8%. These patients always want to think about it following an encounter with the ASS doctor. He becomes the dental stalker. Constantly following the staff around wanting to know why this or that patient has not scheduled for treatment. The other side and equally bad is the non-assertive doctor. They are so non-confrontational that they have difficulty even telling patients that they have anything wrong. They so want to be liked that they shy away from confronting patients with their needs. You can tell if you're in this camp, because patients will feel confused and unclear about the doctor's findings and treatment recommendations. The bottom line is that we need to be confrontationally balanced in how we present our findings. You must learn to read the personality type, the patient's budget, and mirror that in you presentation.

3. **Have a no contest approach**. This is not an "I win, you loose" encounter with the patient. No "my way or the highway". You must tell them what they need and happily give them what they want. Perception is everything and only the patient decides if they feel the trust and bond it takes to allow you to proceed. I will give you my scripts for this in our next installment. More than anything else this deals with your state of mind. You have not lost if the patient decides to only do the extraction or filling initially. We are looking at the lifetime value of this patient. Each will proceed at their own pace and budget. You have to get used to the reality that the patient is in the driver's seat. They have the final say.

4. **Never be perceived as "Selling"**. Imagine the average practice: 20-30 new patients per month, $20-30K in production, 94% collection rate, 1.5 days per week of hygiene and an overhead of over 70%. When one of their new patients shows up on the book its "do or die" time --- it is basic survival mode to sell and close on needed treatment. They need every patient to say "yes". When that is the case, we revert to the "justify our fees" scenario with long explanations using technical jargon or we try to "crush sell" the patient using old fashion sales closing techniques. Remember: If you don't sell this patient you do not meet overhead. As a goal, every general practice should strive for 60-70 new patients per month. Some will be kids (who need very little), some adults (who need little), and some will need more extensive treatment. In the 30 years I have been practicing, it seems I have to sift for sand (patients) to get the work I need to meet a BHAG (Big Hairy Audacious Goals). We average 250 new patients a month for a three-doctor office. About 43% are kids, which will leave about 60 adults for each doctor. When I do a case presentation I don't really have to worry if they accept the treatment plan. I have 7 more new patients that day. The psychology of this is that patients don't feel forced into making a hasty decision or feel like I am trying to sell them a used car. They know I will do what they want first. I will try to fit it into their budget. We will work with them to get their mouth healthy and do it at the pace they are comfortable with.

5. **Remember that it is always worse than they thought**. If you find anything on examination it will be worse than they thought. Our systems are designed to constantly revisit the fact that we understand it is worse than they thought. We will help them with a solution to their problems that they can afford in a time sensitive schedule. The ADA says: "Patients cannot afford even a $500 out of pocked expense". If this is true, all of your patients will have trouble coming up with even the cost of a crown. Most of our patients come in for a cleaning having no symptoms --- nothing they would consider a problem. No matter what you find, they were not expecting a single problem. A caring staff with the right scripts and preemptive measures can go a long way to pushing up your case acceptance.

One of your first steps would be to use the information presented here in a discussion during a staff meeting. Give everyone the document prior to the meeting so that each team member will have the opportunity to read and understand it. Fill out the monitor so you can share where you are. Finally, begin the process of setting goals (see form below) in each area of the practice. Each goal will deal only with case acceptance. Each staff member needs to understand how he or she interacts with the process. From phone call, to payment, and eventual referrals from a successful case presentation, there must be an intentional effort made by each staff member to position your office for 100% case acceptance.

Goal Planning

Area of Practice _____ Today's Date _____ Target Date _____

Goal:	
WIIFM:	
Obstacles:	Solutions:

Action Plan:	Target Date:
1.	
2.	
3.	
4.	
5.	
6.	

Affirmations:

Next, we are going to discuss the case acceptance system we use in our office. The only reason your patients should not be saying yes and completing treatment is money (we've included my payment option sheet – Financial Policies).

Just like many of you, I was taught to do a formal, very thorough New Patient "Experience", a real 5-star production. Following this you should have the patient and the significant other return to hear an hour long talk on the benefits of comprehensive dentistry. A fee that reflects the "quality" of the "experience" is charged ($250-$500). Free exams and complimentary second opinions are unethical. And like many of you, I found out that this system of multiple visits is death to a practice. This is a sure way to give the patient exactly what they do not want. Bottom line: The highest case acceptance occurs with no formal case presentation. About 18 years ago, I was fortunate to stumble upon a video produced by Gordon Christensen at CRA. The "Auxiliary Oriented Diagnostic Appointment" changed my life. For the first time, I saw a system that took into consideration the wants and needs of the patient. An exam followed by a same day case presentation that was non confrontational, caring, and

compassionate. It took into consideration what the patient wanted and told them what they needed. It let the patient meet you, find out what was wrong, and decide for themselves what they wanted to do. And the best part is that the actual case presentation only took minutes and the fact finding and bonding was delegated to the staff. It's can't miss, works every time, like shooting fish in a barrel with a bazooka system.

With time we have modified the system to work better, and adapted it to the changing needs of our patients. It is a true "consumer driven system". We tell the patient what they need and happily give them what they want. As a result --- we never lose a patient. It is always a balanced, no contest, never be perceived as selling way to hit a home run. Here are the steps.

1. THE PERMISSION STATEMENT: This was taken from Zig Zigler's book, Closing the Sale. The script goes something like this: "Mrs. Jones, I feel like my job is to show you the finest dentistry I can provide. Your job is to decide whether you want to do some, all or none of the dentistry we propose. In other words, we want you to decide how quickly you get your mouth healthy." This first part of the permission statement levels the playing field. It creates a non-confrontational setting for showing the patients what's going on in their mouths. It is almost as if this changes their body language from defensive to open. If you're a Star Trek fan, we just got them to lower their cloaking and photon torpedo shields. ***Remember: We are selling solutions to problems and good feelings. Buying is an emotional decision not a logical one. More education will not sell your dentistry. You are just trying to justify your fees. They want something that looks good, feels good, and lasts a long time.*** The next and most important step is to ask: "How do you feel about this?" You can't say: "Is that OK" or any variation. It is ONLY "How do you feel about this?" This statement and only this statement will have the patient respond in a thoughtful manner. It keeps the shields down. It portrays you as a caring friend who with them, are co-diagnosing their problems.
2. INSURANCE: This comes from Walter Hailey's Boot Kamp. This is the script. "Mrs. Jones, I see you have dental insurance. I'm not sure whether you have "good insurance" or "bad insurance", but if we find something that your insurance does not cover or does not cover all of, what would you like to do?" This little statement will eliminate the confrontation on only doing what the insurance will pay. Address the choking points ahead of time and you will eliminate most resistance. The phrase "I don't know if you have good insurance or bad insurance" plants the seed. For the first time the patient is beginning to look at insurance in a different light. They always think that all insurance is good. This opens a non-confrontational discussion into the limits of dental benefits. At the same time, asking the patient what they want to do encourages them to answer "I want you to tell me what is wrong and let me decide what I want to do". This allows the patient to continue to feel "in control". For the non-assertive hygienist or doctor it removes the barriers to presenting ideal treatment. To the assertive doctor, it helps him/her step away from the doctor turned time share salesman and become a caring health care professional --- someone concerned about the welfare, and budget, of the patient.
3. DIAGNOSIS AND COMPREHENSIVE EXAM: Every exam should include: FMX, Pano, oral cancer screening, a co-diagnosing camera tour of the patients mouth, full mouth probing and charting, and time to ask questions and be given answers by a staff person along with accompanying literature to satisfy every personality type. The key to this exam is that the patient must

understand, verbalize, and feel that it is **WORSE THAN THEY THOUGHT.** In the process of the hygienist and their auxiliary staff triaging the patient (It is illegal for a staff member to diagnose. It is not illegal for them to record what they see and help the patient to see and understand the problems. This is called patient education. They are giving the patient options on what could be done if the doctor agrees. They are assessing the patients dental IQ and their budget.) Patients feel more at ease asking a staff member questions than asking a doctor. If this is done correctly, the doctor will not need to spend time doing it later.

4. CASE PRESENTATION: This should only take 2-4 minutes. Remember that your staff members have gone over problems, used the camera, answered all the questions, and provided literature to further confirm treatment options. When I walk into the room the hygienist opens her mouth first. She tells me what she and Mrs. Jones have found and discussed, while I look at the photos on the monitor, look at the treatment plan already filled in on the chart, and knowingly nod, grunt, and just look plain studious. I them re-tell the patient what is wrong, what caused it, and what will happen if it is not fixed. I take a moment on each trouble area to tell them what I would recommend (It's real easy because the hygienist writes it down for me).
5. I **CLOSE** with: **Mrs. Jones, what would you like to do?** If done correctly over 90% of your patients will say yes. The only thing holding them back will be money.

Financial Policy For Our Patients

Our office wants all of our patients to be able to comfortably afford dental care. We proudly offer the following financial policy so that our patients can have the opportunity to decide which payment option best suits your needs.

Insurance: Our office understands the value of insurance benefits to our patients and will gladly work with you to help get the maximum benefit available to you. We will accept assignment of benefits. This means that you must sign the portion of your insurance form that "assigns" payment to our office. Most dental insurance plans **do not cover 100%** of the cost of your treatment. Because of this and the extreme delay in receiving payment from the insurance company, you will be asked to pay your deductible and your portion of your charges the day the service is rendered. We will **estimate** as closely as possible your coverage, but until we actually receive the payment from

the insurance company, it is just an estimate. We will **assist** you in dealing with your insurance company, but the ultimate responsibility lies with you. After 45 days the balance will be due in full from you. Our estimates are subject to final approval by your insurance company and could therefore change the amount due to our office. **Secondary insurance must be filed by the patient.**

PAYMENT OPTIONS

1. **Pre-payment of Treatment in Full**. Our office offers a 5% discount to those **patients willing to pay for treatment in full in advance of treatment.** This requires that you file your own insurance and be willing to accept your own benefits.

2. **Credit Cards and Pre-Authorized Credit Card Monthly Payments.** Our office accepts Visa, MasterCard, American Express, and Discover. If you prefer to pay out larger portions of treatment on your credit card on a regular monthly basis, we can accommodate you by having you sign a monthly authorization card. Once per month your card will be charged the allotted monthly amount. This helps you avoid large amounts of interest. A down payment will be required.

3. **Outside Dental Financing.** Upon qualifying you will be extended a line of credit for treatment costs by an outside financing company. This financing is available for those patients that need to extend their payments over a longer period of time than 6 months. Payment will be made directly to the financing company. The qualification process is simple and can usually be completed within 20 to 30 minutes. This is a 90 days interest free credit card. For further information on this option please ask our financial coordinator.

4. **Senior Citizens (Age 60 or over) Discount of 10%.** As a courtesy to anyone 60 years old and older we will gladly discount your fee by 10% if services are paid at the time of treatment.

We would be happy to work with you to plan out the most appropriate arrangements for your budget. Financing your treatment allows you to start your dental care immediately and spread the payments over a time period. Most importantly, it offers you the opportunity to enjoy the benefits of your dental health without the financial strain.

We want to thank you for trusting us as your health care provider. We appreciate your trust in us and we appreciate the opportunity to serve you. Part of our service to you is to try to contain the ever-rising cost of health care. In an effort to do this, we have implemented a policy of no open billing. Our choices were between implementing this financial policy or raising our prices. In order to hold the line in costs and prices to you, we decided instead to implement this financial policy which will share the responsibility equally among all patients.

For most of us, it is normal to hear what we want to hear, and do what we have always done. This is especially true in case acceptance. Remove one step, change one script, or add your own slant on this system and you will not get the results we continue to get. Remember: Your systems are precisely designed to give you the results you are getting. If you want different results (90% case acceptance or greater), you have to make changes. Remember: There is no standing still in business. You are either growing (which means you are making changes) or you are dying!

It never fails. You have done everything exactly as I have described. You use the scripts, a balanced confrontational approach, you've reflected the type of personality style the patient has presented, and the patient still seems hesitant to commit to treatment. There are still areas that I see doctors trip on. Since the beginning of dental offices there have been two large segments that each of us finds ourselves in --- **"donor practices"** and **"recipient practices"**. The donor practices are the ones that seem to continually run off patients. They can be assertive and nonassertive, pushy or confusing, with good locations and adequate staff. It just seems that they can't get better at giving the patients what they don't want. True, they do have 100% case acceptance. It's just that someone else ends up doing the work. They are the consulting clients that keep telling us they do everything right. It is just the patients, the location, the economy, or dental IQ. They never take responsibility for their systems and results. The recipient practice is just down the street. They are not always the best technically, not the newest office, or largest staff. They just seem to quietly grow into one of those dream practices by giving patients what they want. They actually listen to their patients, fit treatment recommendations into the patient's budget, and are available during patient hours. Their patients would say that the doctor and staff are caring, compassionate, and convenient. Today's patients vote with their feet. If you continue to have low numbers of new patients, and poor case acceptance, look around. You're the donor practice.

Let's take a look at few of the things I see offices do wrong.

- **Too formal of a presentation**. We've said it before and we'll say it again: The office with the highest case acceptance is the one with no "formal" case presentation. We sell "good feelings" and "solutions to problems". It will be an "emotional" decision, not a "logical" one. Your patients want something that **looks good, feels good and lasts a long time**. Give them this and they will never leave. I keep seeing practices confusing what "core" is in a dental practice.

Figure it out and stick with it. Everything else is just fluff. Let your clients define core and give it to them. It's always been cost, convenience, control, comfort and compassion.

- **Too many appointments to get it done**. The patients want a "low stress" way to meet you and find out what's wrong. Make it easy for them to say yes. What does the patient want?
- **Too much presented**. We tend to overwhelm the patient if you do not present dentistry in a certain way. Waiting until the doctor comes in before the patient finds out it was worse than they thought will kill case acceptance every time. Go back and re-read each step. It is the staff's responsibility to help the patient own the problem, realize it is worse than they thought, and find out what they want in order to let the patient decide how quickly they proceed.
- **Doesn't use staff to close and explain treatment and determine patient's budget**. Your staff must qualify, educate, and create trust. The staff is the most important element in case acceptance. They supply the caring, convenient, sensitive element in the relationship.
- **Too many technical terms**. Stop justifying your fees by talking doctor talk. You and your staff need to communicate, not pontificate.
- **You don't use a balanced approach**. Staff, if your patients come to the front confused your doctor is too non-assertive. If your patients come to the front wanting a second opinion or just crying, your doctor is too assertive. You can't confuse your patients. **Give them what they want and tell them what they need.** You assertive doctors need to remember this: the moment you want the treatment more than the patient wants the treatment, you have crossed the line. Don't look needy or desperate. "Selling" in the traditional sense, makes you look both needy and desperate.
- **Not being on time**. It's like putting a billboard outside saying you don't care. There is a double standard here. You expect your patients to be on time but you never are. It shows a lack of respect and caring. Being on time creates trust.
- **How you bundle treatment and dollar amount**. You could be charging the least amount in town and still be considered the most expensive doctor. How you present treatment says far more than the actual cost. Give them what they want and tell them what they need. Preempt any diagnosis with the permission statement. It lets the patient feel in control. It lets them feel like they can decide when and how fast you go. Any other way makes it seem it's your way or the highway. People vote with their feet. If you keep seeing the backs of people's heads, you are doing it wrong.

We all have bad days. There is always an exception to the rule. Sometimes things just don't work out the way we planned. Let me give you a few bonus ideas that seem to create phantom pressure to help patients say yes.

- **Second opinions**. If you feel or your staff feels you are about to overwhelm a new patient, consider offering a second opinion. There have been times when, despite my best efforts and those of the staff, we felt the patient just didn't trust us or were not buying into what we were telling them. They just didn't own the problem. In such a case, I have said: "Mrs. Jones, you don't know me from Adam. I want you to be sure you are making the right decision on what to do and how quickly you proceed." I turn to the staff person helping me and ask her to make a copy of the FMX and give it to the patient so that they might get a second opinion. This is often enough to insure they don't go anywhere else. It says we care and have nothing to hide.
- **Reciprocity**. Robert Cialdini in his book on persuasion says that giving someone something prior to asking the person for an action increases the positive response 300%. We all give our

patients toothbrushes, fluoride, bleaching gel, etc. A great way to help your patients open up to your suggestions is to give them a gift coming into the appointment. Not at the end. Take a look at www.thecreativedoctor.com . They have a "smilepac" that many of our clients have used for high end patients to trigger reciprocity.

- **Authority**: We started wearing scrubs 15 years ago in response to the publicity about sterilization in dental offices. Prior to this we all wore ties, dress shirt and lab coat. It is time to go back and recapture the authority afforded us by the way we dress. Robert Cialdini demonstrates that this will increase our ability to sell dentistry. He also said we should let our patients call us "doctor". I'm real bad about insisting that my patients call me Mike. It is a mistake. It lowers our ability to make recommendations that the patient accepts.
- **Same day service**. With the holes I see in many of your schedules just offering same day service will make a huge difference. Just ask: "Mrs. Jones, would you like to get this done today?" (NOTE: For the financial impact of this strategy in your practice, see the accompanying chart --- One More Per Day).
- **Pre-op phone calls**. These are like magic. The doctor must make the call. He calls the day before and just introduces himself and asks if there is any question he can answer or anything he can do to make their visit more pleasant. As many of you know I had three partners in my practice. I stumbled onto this system in order to get more new patients to ask for the old guy. It worked every time. It was almost as if the patient had already met me. They always requested that I do the check and it always seemed to help them say yes to proposed treatment. You will also find that every patient will comment that they have never had a doctor do this before. (Of course you still need to make a post-op call too).
- **Urgency and the hand-off**. Following any check or consultation you must tie urgency to the treatment. I have just confirmed to a hygiene patient that they need a crown on an upper molar. (You'll notice I said confirmed, not diagnosed. The hygienist or dental assistant has already discussed the crown, taken an intra-oral photo and x-ray, talked to the patient about crowns, and given them literature about the procedure. They were also given the time to ask questions and have a one-on-one discussion with this staff person about when, where, how and why. In this way when I enter to talk to the patient, everything is done). I then turn to Vickie and say "Vickie you make sure you get Mrs. Jones in ASAP. You tell Kathy (the front desk scheduler) to get her in today or tomorrow even if she has to move some one". I turn to Mrs. Jones and say goodbye. Vickie takes Mrs. Jones to the front desk and hands her off to Kathy by saying: "Mrs. Jones needs a crown on tooth number three. Dr. Abernathy said: Whatever you do get her in here today or tomorrow even if you have to move someone". Each person ties urgency and hands off the patient to the next person. All of this is done by talking over the patient so she now has 3-4 staff that she will have to disappoint by not going thru with treatment and coming in ASAP.
- **Shade every tooth**. Every tooth should be shaded at the first appointment. Just take the guide and hold it up to the patient's mouth without any comment. The patient will ask what you are doing and it opens the door to a cosmetic discussion.
- **Camera and imaging**. Every patient should have the opportunity to have an intra-oral camera image made. We have cameras in every operatory. The only thing that has changed in the last few years is that we have used Macro lenses on digital cameras to take before and after images. These extra-oral photos really seem to work better than a tooth-by-tooth intra-oral imaging. The intra-oral photos have been more or less relegated to insurance documentation**.**
- **www.scentair.com**. This company shows that buying will increase with the correct scent in your offices. Eugenol and oil of clove should never be in your offices. At worst our offices should

have no smell. The use of electric hand pieces also removes a barrier by removing the "drill" sound from your offices.

- **Staff recommendations**. It is your staff's job to build up your image in the minds of the patients. Everything they say and do reflect on the image and branding of your office. Get your staff to use every opportunity to make you a super star in front of your patients.

Don't forget to share this with every staff member. Then have a staff meeting on what you could improve. Continue to monitor your progress. Let us know how well you are doing.

ONE MORE PER DAY

Procedure	**Fees**	**# Days**	**ADDED $$**
Adult Prophy	$55	200	+$11,000
Extraction	$99	200	+$19,800
Composite	$139	200	+$27,800
Sealants (4)	$140	200	+$28,000
SRP(Quad)	$185	200	+$37,000
Bleaching	$199	200	+$39,800
Crown	$695	200	+$139,000
Average	**$1512**	**200**	**+$302,400**

ONE LESS PER DAY

Procedure	**Fees**	**# Days**	**LOST $$**
Adult Prophy	$55	200	-$11,000
Extraction	$99	200	-$19,800

Composite	$139	200	-$27,800
Sealants (4)	$140	200	-$28,000
Quad (SRP)	$185	200	-$37,000
Bleaching	$199	200	-$39,800
Crown	$695	200	-$139,000
Average	**$1512**	**200**	**-$302,400**

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